PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 468 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

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OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 468**

SECOND VOLUME OF SESSION 2007-2008

House of Commons

Monday 26 November 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Police Community Support Officers

1. **Mr. Lindsay Hoyle** (Chorley) (Lab): How many police community support officers there are in Chorley; and if she will make a statement. [167480]

The Secretary of State for the Home Department (Jacqui Smith): There is now a neighbourhood policing team in every area in Lancashire. It is for the chief constable to decide where to deploy his police community support officers, but at the end of March 2007 the southern basic command unit, which includes Chorley, had 72 PCSOs—an invaluable addition to policing, with the primary focus of engaging with their local community.

Mr. Hoyle: I thank my right hon. Friend for that answer. Can she confirm that the Government are actually providing 75 per cent. of the funding for PCSOs in Chorley? The leader of the council believes they are funded by the council, but it is the Government who provide 75 per cent. Will my right hon. Friend assure us that PCSOs will not replicate the police but will assist the police force, ensuring that police numbers remain the same?

Jacqui Smith: My hon. Friend is right: the introduction of PCSOs was an initiative brought about by the Labour Government. It was an initiative funded by the Labour Government to the tune of £7.6 million in the Lancashire police area this year. My hon. Friend is also right to note that we have increased the number of PCSOs at the same time as increasing the number of police officers. PCSOs play a complementary but different role.

2. **Jessica Morden** (Newport, East) (Lab): What assessment she has made of the effectiveness of police community support officers. [167481]

3. **Stephen Pound** (Ealing, North) (Lab): What recent assessment she has made of the effectiveness of police community support officers; and if she will make a statement. [167482]

The Secretary of State for the Home Department (Jacqui Smith): Police community support officers make a very valuable contribution to the delivery of neighbourhood policing. That is why I am delighted to welcome the two-month intensive project being conducted by the National Policing Improvement Agency, which will build on good practice and establish greater standardisation where appropriate across forces on such issues as role and function, uniforms and equipment. It will also consider a new volunteer scheme for PCSOs, as Sir Ronnie Flanagan recommended. Ahead of that, I am pleased that the Association of Chief Police Officers shares my view that PCSOs should be at least 18 years old, and the Home Office will take forward work to introduce a code of practice to address that issue.

Jessica Morden: I welcome the announcement about the possibility of standard powers for PCSOs, who do an excellent job in my constituency and deserve the

tools they need to do the job, but Unison and many PCSOs want all the powers currently on the statute book to be available to PCSOs—not just at the discretion of chief constables. Will my right hon. Friend keep the matter under review so that the public know what to expect from PCSOs, and that they have the full range of powers available to them?

Jacqui Smith: My hon. Friend makes an important point. As of 1 December, an agreed set of 20 powers will be standard across the whole country, thereby giving the public more certainty about the powers of PCSOs. It is to keep the matter under review and take that work forward that the National Policing Improvement Agency will carry out the two-month project I outlined, covering important points such as the standardisation of uniform and the issue of personal protection equipment.

Stephen Pound: I thank my right hon. Friend for her answer. Does she agree that those who demean and denigrate PCSOs not only insult a professional, hard-working, much valued body of men and women but demean many of our constituents who have come to see neighbourhood policing as one of the best, most reassuring and effective advances in policing since Dixon retired to Dock Green?

Jacqui Smith: As always, my hon. Friend's point is important and well made. Across the country, police community support officers play a hugely valuable role, making communities feel safer and promoting neighbourhood policing. That is why they are so widely welcomed by many of our constituents and the communities we represent. It is why, I suspect, they were welcomed even by the right hon. Member for Witney (Mr. Cameron) when he said in July last year:

"I welcome the increase in police numbers...the deployment of community support officers...and the development of neighbourhood policing."

Given that support in July 2006, I am hard pressed to understand why the Conservatives have now turned their back on the idea of further developing PCSOs.

Mr. Brian Binley (Northampton, South) (Con): Mr. Speaker, like me, you will know that Dixon was killed in the last episode, so I hope that is not a factual interpretation.

Northamptonshire police have reduced crime, partly due to the work of community support officers. Sadly, however, the Office for National Statistics massively understated population estimates for the county, creating yet another year of underfunding and forcing further cuts. Is the Secretary of State willing to do something about that unacceptable state of affairs, or do I have to tell the people of Northamptonshire that they will have to put up with another year of neglect under Labour?

Jacqui Smith: May I thank the hon. Gentleman for recognising the very important work of PCSOs in his community? I hope that everyone throughout the House supports that. He makes an important point about the funding made available to police services and the nature of the formula in recognising changes in population. We will in the near future of course be making announcements about next year's funding for police authorities and will bear in mind the issues that many forces have raised about the nature of population growth and how that is included in the formula. However, the increases that will follow the considerable increases to police forces will be possible only because of the investment that this Government have been willing to make in our police service. When the hon. Gentleman praises PCSOs in his constituency, I hope that he will also make clear his support for the extra investment made available by a Labour Government.

Mr. John Horam (Orpington) (Con): Is the Home Secretary aware that, in the Metropolitan police area, there is an increasing problem with finding premises for PCSOs to operate from, because of the cuts in their budget by the Mayor? This has an impact on their effectiveness so will she look into it?

Jacqui Smith: It is obviously important that neighbourhood police teams have suitable premises from which to operate. I suspect that the challenge has been brought about by the considerable progress made by the Metropolitan police under the leadership of Commissioner Sir Ian Blair in delivering, two years ahead of target, neighbourhood policing teams in every single community in London.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): May I tell my right hon. Friend that PCSOs are doing a fantastic job in my area and especially in my constituency in working as part of neighbourhood policing teams? That has led to Crime falling by 2.5 per cent. between 2002 and 2007, so will she tell us what sort of financial support Cleveland police can expect so that we can keep on employing more PCSOs in the future?

Jacqui Smith: I cannot give my hon. Friend a figure today. As I said to the hon. Member for Northampton, South (Mr. Binley), we are looking very carefully at the way in which we distribute the increased support for policing next year and hope to make an announcement very soon. My hon. Friend is absolutely right to say that the important role of PCSOs at the heart of neighbourhood policing teams across the country is helping to ensure a continued reduction in crime and is helping to build community support, community engagement and confidence in the progress that we are making in crime fighting.

James Brokenshire (Hornchurch) (Con): I am delighted that the Home Secretary has been forced to admit that allowing the employment of PCSOs under the age of 18 was a mistake, but what assurance can she give that, by potentially allowing PCSO responsibilities to be extended to detaining suspects and searching people who could be carrying dangerous items, she is not putting PCSOs and the public at greater risk? At least one PCSO has already been seriously injured when he was run down by a car earlier this month. With PCSOs receiving less training than fully qualified officers and police budgets coming under pressure, will this move not simply increase the number of such tragic incidents?

Jacqui Smith: We have introduced PCSOs and massively increased their numbers at the same time as increasing investment in our police forces and increasing the number

of police officers. It is right that the Association of Chief Police Officers and the National Policing Improvement Agency, alongside the Home Office, now review the powers, the roles and the protection and training available to PCSOs in order to ensure that they can build on the very considerable contribution that they have made over the past four years. We are committed to doing that and to providing PCSOs with the training and protection that they need to carry out their job effectively.

Tom Levitt (High Peak) (Lab): I am sure that my right hon. Friend would like to know that I spent a day with three PCSOs in different parts of my constituency in the summer. Not only was it excellent to see the work that they are doing, but it was tremendous to see the reception that they received on the streets from shopkeepers and others. The biggest problem that we face with PCSO recruitment is that the officers are being used as a recruiting ground for the police themselves and we have to recruit PCSOs doubly quick to keep the numbers up. What my right hon. Friend said about funding was very welcome, and if she was saying that we will move towards full implementation of formula funding for the east midlands, that will be very welcome indeed.

Jacqui Smith: I know my hon. Friend and others in the east midlands have been making the case for funding in their area very strongly, including to my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing. As I have said previously, we will obviously look carefully at how we can distribute the police grant over the next three years, maintaining stability where necessary but ensuring that resources are focused on where they need to go. I agree with my hon. Friend that the really heartening thing about spending time with PCSOs—as I did in my constituency on Friday—is the number of people who know their names and who are willing to talk to them and to report to them things that are happening in the community, and the way in which they work not just with local people, but with other agencies to problem-solve, build confidence and help drive down crime and antisocial behaviour.

Custody (Police Stations)

4. **Philip Davies** (Shipley) (Con): What assessment she has made of the efficiency of procedures for dealing with people being taken into custody in police stations. [167483]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): The efficiency and effectiveness of police custody and custodial care remain under constant review within the police service. Others are equally involved, including the Independent Police Complaints Commission.

Philip Davies: During my time on the parliamentary police scheme, I spent two and a half hours waiting at the custody desk to book in a prisoner. A police officer said that waits of four hours were not uncommon. When supermarkets have queues at the checkouts, they open more tills until the queues have disappeared. What are the Government doing to ensure that extra capacity is being built into custody areas so that we can get police officers back on to the streets as soon as possible?

Mr. McNulty: The hon. Gentleman makes a reasonable point and it is interesting to see that he has brought his supermarket skills and experience to the House. However, the issue is not simply about capacity; it is about a whole range of other factors, as I am sure his police force in West Yorkshire will have told him. Those other factors include what we do with the review of the Police and Criminal Evidence Act 1984, in terms of the whole process, and the level of civilianisation, or otherwise, inside custody suites. Many of the elements that are in place are there for a declared purpose. As Ronnie Flanagan said in his interim report:

> "There is undoubtedly a great deal of good and necessary bureaucracy within custody suites, much of it put in place to protect the vulnerable, to ensure due process of the law and to provide accountability for police actions."

However, the hon. Gentleman's point about capacity at particular times is well made and I will take it back to all police forces.

Martin Salter (Reading, West) (Lab): Does the Minister agree that it is about time we had a root-and-branch review of the Police and Criminal Evidence Act? In some cases, it offers a perverse incentive and discourages officers from making arrests due to the amount of bureaucracy that is necessitated when they arrive at the custody suite.

Mr. McNulty: I have to disagree with my hon. Friend when he says it is about time that we had a root-and-branch review. We are nine months or so into the review that started last March. I agree that we need to get on with it and get to a stage where we know exactly what the parameters of PACE are. PACE has been around for a long time and there is popular consensus that it does what it is supposed to do—protect and look after the interests of those who encounter the police in the custody process. However, we need that review to report as soon as possible.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I accept that the PACE forms are there for a purpose and are important evidentially. However, does the Minister agree that, in many other regards, police officers spend far too much time filling in forms pointlessly?

Mr. McNulty: They do and have done in some cases, which is why we are looking at that in some detail. I have had a range of round-table and other meetings with a whole host of forces. However, the House should not run away with the notion that every single piece of paper a police officer is required to fill out comes from the centre. Often it is to do with local devices. Neither PACE nor bureaucracy goes to the import of the original question, which was that we need to look at, operationally and in other terms, getting people through the custody process, while their rights are protected, on an optimal basis.

David Taylor (North-West Leicestershire) (Lab/Co-op): I wonder whether the Minister would have a word with the Lord Chancellor to see whether he can get a grip on the number of people who are being decanted

from the prison service into custody suites in police stations. According to senior figures in Leicestershire, that is becoming quite a substantial problem. Does the Minister anticipate that things will improve in the years to come? Even though Leicestershire is being reimbursed, it must be seriously inconvenient for the police to have to use their cells in that way.

Mr. McNulty: I certainly can agree with my hon. Friend that things will improve, as he says, in the years to come. Operation Safeguard has been well executed by police forces throughout the country and it has not, to date and to my knowledge, impinged on the operational ability of the police forces involved.

Mr. David Ruffley (Bury St. Edmunds) (Con): Last year, according to the Home Office's own figures, the amount of time that patrol officers spent on paperwork increased from 16.5 to 16.6 per cent., and the amount of time that patrol officers spent on patrol fell from 19.1 to 17.3 per cent. Is it not high time that the Home Secretary got a grip and cut red tape so that our police can get out there and spend more time catching more criminals?

Mr. McNulty: Beyond the rather overblown hyperbole, the hon. Gentleman does, as ever, have half a point. There is broad consensus across the policing family and certainly in Government, and we are all actively working together to ensure that police are spending more time out on patrol. Rather as Ronnie Flanagan says about bureaucracy in his interim review, likening it to good and bad cholesterol, I would not want the House to run away with the notion that all paperwork is bad. Very often it is more than appropriate that there is a paper trail when the citizen encounters the police for whatever reason, good or ill. Is there too much? Does bureaucracy always have to be driven down so that our police can spend more time on the beat? Absolutely. Rather than being so shrill, perhaps the hon. Gentleman will work with us to ensure that that happens.

People Trafficking

5. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): What steps she is taking to reduce levels of trafficking of women for sexual exploitation. [167484]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): A comprehensive UK action plan on tackling human trafficking was published in March this year and sets out a range of measures designed to prevent human trafficking, protect and assist victims and investigate and prosecute the traffickers. The nationwide police operation Pentameter 2 was launched in October and focuses on the rescue of victims of trafficking for sexual exploitation while bringing to justice those involved in this serious criminal activity.

Dr. Starkey: This is an issue which, as the Minister implied, affects every constituency. Just this week my local newspapers, *MK News* and the *Milton Keynes Citizen*, described

"Thai ladies and new Japanese and Chinese girls weekly".

It is difficult to see how any of those could be legally working in this country. Can the Minister reassure me that the Pentameter 2 operation will be following up adverts like that and checking whether there is evidence that vulnerable women are being trafficked and forced into prostitution?

Mr. Coaker: Pentameter 2 will indeed listen to any intelligence that comes forward about women or others who may be trafficked, including using such adverts to assist its work. My hon. Friend may be interested to know that those adverts are a concern. My right hon. and learned Friend the Leader of the House and I and others met the Newspaper Society, the Advertising Association and others to discuss the very issue that she raised—adverts in newspapers and magazines—to see what more can be done about it.

Mr. Anthony Steen (Totnes) (Con): Will the Minister confirm that if the women who were discovered during a police raid, in which I was involved, on a sauna parlour in Hackney 10 days ago had been trafficked, they will be issued with a temporary residence permit, as he is obliged to do under the European convention on action against trafficking in human beings, which will come into force on 1 February next? Is he aware that if he issues them with that permit, they are much more likely to come forward to give evidence against their traffickers?

Mr. Coaker: The hon. Gentleman makes a good point. That is why, as he knows, we are looking to ratify the Council of Europe convention as soon as we can. To do that, we need to have in place all the various measures to ensure that we can legally meet the requirements of the convention. One of those requirements is that we have in place the various measures that he points out. He knows that when we ratify the convention, we will have to introduce temporary residence permits, periods of reflection and so on. We will do that as soon as we can. In the meantime, may I reassure the hon. Gentleman that, as he knows from the work that we do together on the issue, we will ensure that support is available for any victims of trafficking who are found through Pentameter 2-type operations or others?

Mr. Denis MacShane (Rotherham) (Lab): The Minister kindly gave me a parliamentary reply showing that 16 men were convicted for trafficking last year and just 11 had been so far this year. Given that, according to Home Office estimates, 25,000 sex slaves currently work in the massage parlours and brothels of Britain, those conviction figures are derisory.

Does the Minister agree that it may be time to look at the demand side? Frankly, too many dirty old, middle-aged and young men think that by putting down a few pounds they can abuse women, often under the age of 18, who are trafficked into our country and appear in adverts such as the ones in the local papers of my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey). This is not a sniggering or laughing matter, but a desperately evil aspect of modern slavery. The demand side needs to be tackled; the men should be named and shamed. If necessary, the law should be changed so that they are put in front of the courts.

Mr. Coaker: I do not think that anybody who listened to the remarks that my right hon. Friend has just made so powerfully and passionately would

disagree with any of them. The whole House finds how such women are trafficked and used repugnant. The issue for us is what we do about it. My right hon. Friend points out that we need to consider the demand side, and the Government will consider what more we can do on that side of the equation. There have been 67 prosecutions since we passed the Sexual Offences Act 2003, which allows us to prosecute people who traffic women for sexual exploitation. We want that figure to rise and we are working with the Crown Prosecution Service to ensure that that happens.

I say not only to my right hon. Friend but to the whole House that the issue is a real priority for the Government. We are considering what more can be done about it and will act as quickly as possible to take the matter forward.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Minister will be aware that the Joint Committee on Human Rights identified the very real need to treat the victims of sex trafficking as victims. He will be aware that on page 57 of the UK action plan, he accepted that although previously there had been prosecutions of victims for immigration offences, the Government no longer considered that it was in the public interest to do so. If that is the case, will he explain why proceedings are still hanging over two women—victims of trafficking—who are being assisted by the Poppy project? Will he have a word with the Attorney-General's office so that it is absolutely clear that the Government's policy is to treat victims as victims and not as criminals?

Mr. Coaker: It is absolutely the Government's position that victims of trafficking should be treated as victims, and we are trying to establish processes to make sure that that happens. As the hon. Gentleman will know, to ratify the Council of Europe convention one of the things that we have to do is to put in place measures and processes that allow us to identify victims and refer them to the appropriate support. We are in the process of doing that. As the hon. Gentleman mentioned, we do not wish to treat such people as immigration offenders. If he has concerns about any particular cases, perhaps he will write to me about them.

Kelvin Hopkins (Luton, North) (Lab): In my constituency, there is a so-called massage parlour that my constituents tell me is simply a brothel; I am sure that there are similar establishments in many hon. Members' constituencies. There is no doubt that in that brothel young women are being exploited, possibly after having been trafficked from abroad. However, after months of being told, the police are still finding it difficult to close the place down. Is my hon. Friend absolutely sure that nothing more could be done to provide more powers and resources to the police to ensure that such places are closed down and that the women are rescued from their appalling circumstances?

Mr. Coaker: We know that there is more to be done on this issue. We do not want brothels continuing to operate in the way that my hon. Friend has mentioned. All I can say is that the Government are considering a whole range of measures, including on demand and on what more can be done about the establishments that my hon. Friend has just mentioned.

Damian Green (Ashford) (Con): The Minister will know that his answer is disappointing on the specific point of ratifying the European convention against human trafficking. On 17 October, the Minister for Borders and Immigration said in a written answer to the right hon. Member for Rotherham (Mr. MacShane): "some amendments to primary/secondary legislation will be required" —[*Official Report*, 17 October 2007; Vol. 464, c. 1108W.] The Minister has just agreed with that, so why has the legislation not been produced? Why are police officers like Chief Superintendent Paul Phillipson, the district commander in Peterborough, complaining that if they devote resources to clearing up the sex trade involving women trafficked from overseas, they get no credit from the Government because the Minister's Department does not make clearing up this type of crime one of the targets that it has to meet? Will he admit that this looks like another case of tough talk followed by a complete lack of effective action?

Mr. Coaker: The hon. Gentleman raises a very important issue. He should not underestimate the commitment of this Government—and of this Parliament, it seems to me—to ratify the Council of Europe convention. As many of his hon. Friends recognise, in order to make progress in this area in implementing the various processes that are necessary to ensure that we can ratify the treaty, we do not have to wait for ratification. We are taking this forward in terms of prevention, enforcement and all those matters, not waiting for the ratification process. At a time when people question the integrity and honesty of politicians, I do not want to recommend to my right hon. Friend the Home Secretary, or to the Prime Minister or to Parliament, that we should ratify the Council of Europe convention before I can honestly say that every single part of the necessary process is in place. As for whether we should get on with it, we are getting on with it.

Police Community Support Officers

7. **Ben Chapman** (Wirral, South) (Lab): What discussions she has had with the Secretary of State for Communities and Local Government on the effect of police community support officers on the regeneration of communities. [167486]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): As we have heard, police community support officers have already had a positive impact in helping communities to work together, and we have plans to integrate neighbourhood policing and neighbourhood management. Only last week, I spoke to my right hon. Friend the Secretary of State and other colleagues about how to liaise with other Departments to improve the situation.

Ben Chapman: PCSOs have been very welcome in Wirral, South, where they have contributed a great deal to resolving problems, particularly those involving youths behaving badly. In my experience, they in no way merit the pejorative tags that have been attached to them by some parts of the press. However, they, like other parts of the network, find it difficult to solve the problem of displacement. What is the solution when effective police and partnership action results in badly behaving young people merely being moved from one area to another—for example, from Teehay lane in Bebington to Mayer park in Bebington?

Meg Hillier: My hon. Friend raises an important point. Clearly, moving a problem from one area to another does not solve it. The situation will be helped from April next year, when there will be a team in every area so that any displaced antisocial behaviour is picked up by the co-ordination of those teams. I already see that working to good effect in my own constituency, where we have a neighbourhood policing team in every ward. Sir Ronnie Flanagan's interim report recommends the integration of neighbourhood policing and neighbourhood management, and we are making progress on that. We also hope to work with local area agreements, crime reduction partnerships and disorder reduction partnerships to ensure that co-ordination on displacement takes place.

Mr. Nigel Evans (Ribble Valley) (Con): If anybody is attacking community support officers, they are not attacking the individuals who fill the jobs, who are doing a very good job under very difficult circumstances. However, it has to be recognised that they do not have the same training and powers as police officers. What can the Minister do to ensure that more people who are volunteering in this way can be taken into the full constabulary?

Meg Hillier: I am rather puzzled by the hon. Gentleman's comments. I will happily explain to him afterwards the exact role of police community support officers. They are not volunteers—they are paid officers trained to provide a different role to that of police constables. There are 16,000 PCSOs—had it not been for this Government, there would be none—in addition to the already expanded numbers of police.

Identity Cards (Foreign Nationals)

8. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What plans she has to introduce identity cards for foreign nationals resident in the UK. [167487]

The Minister for Borders and Immigration (Mr. Liam Byrne): Recent Royal Assent for the UK Borders Act 2007 will allow the Government to introduce compulsory identity cards for foreign nationals from 2008. We shall publish our strategy for this rollout very shortly.

Mr. Bailey: I thank my hon. Friend for his reply. What progress has been made in developing a biometric ID system, and what assessment has he made of its potential in combating illegal immigration?

Mr. Byrne: The House will know that the Government are already deploying biometric systems in order to strengthen our border security. A system of biometric visas has been rolled out in about 117 countries around the world. Some time this week we will take our millionth biometric visa, and nearly 10,000 individuals have already been matched against existing watch lists that we hold, including lists with the fingerprints we have taken of those who have been deported. It is clear to me that biometric visas are already providing an extremely effective defence against illegal immigration and that they will be increasingly important in the future.

Patrick Mercer (Newark) (Con): I am interested in what the Minister said, but he knows that those who are resident in this country for three months or less will not be required to carry an identity card. A cursory understanding of the core al-Qaeda group makes it quite clear that its visits to countries such as ours will last a lot less than three months. Does that not drive a coach and horses through the whole concept of ID cards?

Mr. Byrne: I disagree with that analysis. It was the former director general of the Security Service who said

"widespread use of false documents is an essential aspect of terrorist activities. Al-Qaeda's own training manual requires its operatives to acquire false identities to hide their terrorist activities."

The only countries in Europe other than the UK that do not have identity cards in place, or which are not introducing them, are Ireland and Denmark, and even Denmark has a national civil register. Our concern is to multiply the tools to fight terrorism that we have at our disposal, but the important point raised by my hon. Friend the Member for West Bromwich, West (Mr. Bailey) is the need for ID cards to allow us to come downharder on illegal immigration. That is why last week we introduced tougher penalties for businesses that employ people illegally, and as we increase the penalties for breaking the rules, we need to make businesses' job easier. Biometric ID cards for foreign nationals will help with that.

Mr. John Redwood (Wokingham) (Con): These illegal immigrants are here only because our border control failed in the first instance. Why does the Minister not strengthen the surveillance of passports and visas when people first apply for entry into the country, and ensure that people we do not wish to see here, or those who are a threat to this country, are not admitted in the first place?

Mr. Byrne: I hope that the right hon. Gentleman will forgive me for saying that that is a slightly 20th-century way of looking at border control. If we are to have adequate defences against illegal immigration in the future, we need to strengthen our checks abroad. That is why biometric visas are preventing would-be illegal immigrants from coming to this country before they get on a train, plane or boat for the UK. We have to secure our borders in the UK even further, which is why we are introducing a single border force.

I do not think that we will make real headway against illegal immigration until we stop the cause of it, which is illegal working. That is why we have to increase the penalties for businesses that break the rules. It is also why we have to make it easier for businesses to know whether a foreign national is who they say they are, and whether they have the right to work. That is where ID cards will help.

Metropolitan Police Service Targets

9. **Tom Brake** (Carshalton and Wallington) (LD): What recent discussions she has had with the Metropolitan Police Service on police targets. [167488]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): Ministers regularly meet the commissioner of the Metropolitan Police Service and other MPS officers and officials to discuss a range of matters, including police targets.

Tom Brake: Is the Minister aware that in London the police are working to two contradictory crime reduction targets: one set by the Home Office, and the other set by the Metropolitan Police Service? Why is that, and when will the police start working to just one crime reduction target?

Mr. McNulty: If the hon. Gentleman seeks to illuminate me about the contradictory targets, I shall look into the matter. As far as I am aware, there is no such contradiction in targets. The Metropolitan police's overall contribution to the public service agreement target to reduce crime by 15 per cent. stands. How they achieve that contribution is a matter for that service, just as it is for all other 42 police services.

Barry Gardiner (Brent, North) (Lab): On 19 October, my constituent, Mr. Alan Angel, was held up in his own home in Northwick Circle, Kenton by three youths armed with a firearm. I want to stress that Mr. Angel has thanked the police for their subsequent actions and response, and for the support that they have given. However, Mr. Angel found out that they were unable to access the CCTV footage from the station to which the three had fled until the Monday morning. Would my right hon. Friend check what protocols and targets are in place for the downloading of footage between London Transport police and the Metropolitan police?

Mr. McNulty: My hon. Friend raises a serious point, which I will look into. I can assure him that no national protocol or target restricts or limits in any way the operational efficiency of the police in disc-dumping CCTV footage. I am happy to meet my hon. Friend and the Brent borough commander, if we need to, to discuss the matter further.

Justine Greening (Putney) (Con): May I ask the Minister about the overall budgeted target work force for London? My local borough commander tells me that we are 700 officers below that target work force across London. Does the Minister really expect the Metropolitan police to hit their targets when they have not the targeted people to do so?

Mr. McNulty: As I have said in written responses, many of those comparisons relate to pre-1997 figures. They cannot be compared—they are like apples and oranges. It is a matter of fact that the resources currently afforded to the Metropolitan police, whether for neighbourhood policing or any other aspects, are at absolute record high levels, as can be seen though their achievement of targets and the reduction of crime throughout London.

Crime Statistics

10. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): If she will ensure that crime statistics are compiled at constituency and ward level. [167489]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): The Government have committed to making consistent monthly local information on crime available throughout the country. My starting point is that the information should be available at ward level and more locally where possible, subject to constraints around data availability. The Home Office is working with the Association of Chief Police Officers, the Association of Police Authorities and other stakeholders to identify how that can be achieved.

Dr. Blackman-Woods: I thank my hon. Friend for that response. Does he agree that if crime statistics were more widely used and available at neighbourhood level it would help us to address the fear of crime in constituencies such as mine? In Durham, overall crime rates are low and falling, but the public are not necessary fully aware of that.

Mr. Coaker: I agree totally with my hon. Friend. That is one of the reasons why the Home Secretary announced that by July 2008 we want local crime statistics to be available to local areas—at ward level, if possible—so that local people can make sense of what is happening in their areas with respect to acquisitive and violent crime. When people see those matters locally, the figures obviously become much more real to them than the national statistics. As my hon. Friend says, if people see the local figures, public confidence will rise and people will know more properly what is going on with policing in their area.

Citizenship

11. **Mark Pritchard** (The Wrekin) (Con): If she will make it her policy to include in citizenship ceremonies a statement including a list of acts of treason and high crimes against the state. [167491]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): Citizenship ceremonies for new British citizens are intended to be celebratory events where new citizens are welcomed into their local communities and to Britain. Those applying for citizenship are informed at the point of application and in their declaration that it can be withdrawn if they engage in conduct that is prejudicial to the public good.

Mark Pritchard: I am grateful to the Minister for that response. Does she agree that in those ceremonies there should be an underlining of the responsibilities to this nation of those who become British citizens as well as of their rights under this nation? If she does agree, would she consider amending legislation so that those naturalised British citizens who commit high crimes against this country and the state, or, indeed, treason, should have their citizenship revoked on conviction?

Meg Hillier: My right hon. Friend the Home Secretary already has powers to do just that. The Government can withdraw citizenship from the people in the category outlined by the hon. Gentleman for a range of issues. I am happy to write to him about that, but those issues include war crimes, other serious offences, public order offences and conduct prejudicial to vital national interests, including treason. We are also conducting several bits of work across Government, including the citizenship review. I would be happy to share with the hon. Gentleman the information that citizens receive. His comments on that information would be much welcomed.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the citizenship ceremonies, which are moving events, and I wish that they had existed when I became a British citizen. Has my hon. Friend considered writing to local authorities to suggest that they invite their Members of Parliament to some of the ceremonies? Hon. Members should be aware of their significance.

Meg Hillier: I recently met local authority officers who are responsible for organising citizenship ceremonies. Several local authorities conduct interesting ceremonies—for example, Brent has held some at Wembley stadium. Oxfordshire has an interesting programme involving schools, linking GCSE classes on citizenship. Several authorities invite their Members of Parliament. If my hon. Friend contacts her local authority, I am sure that it would be willing to extend an invitation to her.

Topical Questions

T1. [167446] **Mr. John Baron** (Billericay) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Jacqui Smith): One of the key responsibilities of my Department is ensuring that we secure the benefits of migration, which supports economic growth, to the UK, while protecting our borders and managing the impact of migration on local communities. For that reason, we published on Thursday key parts of our strategy on illegal working. We have listened to employers and others in shaping our approach. Having done that, we will implement a new system of civil penalties and a tough new criminal offence for those who knowingly employ illegal workers. I have proposed that the maximum civil penalty should be £10,000 per illegal worker. To complement that, we will take steps to raise employers' awareness of the changes through national press advertising and an improved service to support employers in verifying the immigration status of prospective employees. Those measures will complement our other initiatives to control immigration effectively, especially the new unified UK border agency, which the Prime Minister announced on 14 November, and the points-based system, which will be launched early next year.

Mr. Baron: Now that the Director of Public Prosecutions and the former Attorney-General have expressed serious doubts about the need to extend the pre-charge detention period beyond 28 days, and given that countries such as Russia, France, Turkey and even the United States have detention periods of less than eight days, will the Home Secretary either renounce her ambitions for 56 days or give the Chamber one concrete example of the police taking 56 days between arresting a terrorist suspect and finding the evidence to bring charges?

Jacqui Smith: As I made clear to the Select Committee on Home Affairs, the Government do not argue that there is a current case in which detention beyond 28 days has been necessary to charge. Thank goodness for that, otherwise I would rightly be explaining to the Chamber why the Government had not legislated to prevent the release of potential terrorists. However, it is clear from the Metropolitan Police Commissioner, from Ken Jones, president of the Association of Chief Police Officers, from Deputy Assistant Commissioner Peter Clarke in *The Daily Telegraph* today and from the Home Affairs Committee in a report last June, that a wide range of people believe that it is possible, if not likely, in the near future that more than 28 days might be needed to undertake the necessary investigations to charge somebody. It is responsible, proportionate and precautionary to legislate now for that eventuality rather than risking this country's security by allowing people out who could have been brought to justice.

Keith Vaz (Leicester, East) (Lab): Given last week's events involving the Treasury and the Inland Revenue and the use of data, is the Home Secretary satisfied that the necessary protection is in place for any data that would be gathered under the identity card scheme? Is she planning to review that arrangement in view of what happened last week?

The Minister for Borders and Immigration (Mr. Liam Byrne): The House will know that, where there are lessons to be learned from last week's events at HMRC, it is right that we learn them. That is why the Prime Minister has asked PricewaterhouseCoopers for an independent review of the matter, the Cabinet Secretary is examining data security in all Departments and the Information Commissioner will be given power to spot-check Departments' compliance with the regulations.

However, it is also right to ask whether parliamentary oversight of the scheme can be strengthened. The House is the guarantor of our liberties, which include the right to privacy. Hon. Members know that, under the Identity Cards Act 2006, a national identity commissioner will be appointed to oversee the national identity register, reporting annually to Parliament. There is an important question to be asked about who will watch the watchman—or watchwoman—and now is the time to start reviewing the way in which Parliament can play a stronger role in providing such oversight in future.

T3. [167448] **Tom Brake** (Carshalton and Wallington) (LD): What assessment has the Department made of the relative effectiveness in reducing gun and knife crime of compulsory ID cards versus fully trained police officers?

The Secretary of State for the Home Department (Jacqui Smith): We have of course taken a range of actions to reduce gun and knife crime, including ensuring that there are more police officers on our streets, increasing enforcement activity and introducing stronger sentences for both types of crime, with a minimum sentence for the possession of guns of five years and an increase in the maximum sentence for the possession of knives. However, it is also an important contribution to public protection to ensure that we can be clear about the identity of those who, for example, are arrested and that we can be clear, with the aim of public protection, that the identity that somebody expresses to the authorities is actually theirs. It is through the use of biometric ID management that we can be more confident that that will be the case, but that does not come at the expense of the wide range of other actions that the Government have taken to help to counter gun and knife crime.

T5. [167450] **Mr. Russell Brown** (Dumfries and Galloway) (Lab): My right hon. and hon. Friends will be aware that yesterday was the UN international day for the eradication of violence against women. Can the Minister give the House an indication of what genuinely positive role men can play in tackling that behaviour, which destroys so many families?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I thank my hon. Friend for pointing out that yesterday was the UN international day for the eradication of violence against women, with which the white ribbon campaign is associated, as he will know. Today I had the privilege of being at City Hall for the launch of the Men's Coalition, an organisation that tries to bring together men on a variety of issues, but particularly on domestic violence. Domestic violence is not, fairly obviously, just an issue for women. The vast of majority of men are not violent, but the vast majority of the perpetrators of domestic violence are men. The Men's Coalition calls on men to speak out about the issue, so that we can all join together to do as much as we can to end this heinous crime, which so often takes place behind closed doors, without anyone knowing about it.

David Davis (Haltemprice and Howden) (Con): May I ask the Home Secretary about the subject of identity cards? If the Government give away someone's bank account details, that is a disaster, but at least they can change their bank account. What, precisely, does someone do if the Government give away their biometric details?

The Secretary of State for the Home Department (Jacqui Smith): There is of course an important protection in an identity card system, through the use of biometrics. Biometrics will link a person securely and reliably to his or her unique identity. It will therefore become much more difficult for people to misuse other people's identity, even if full details of their biographical information are already known. The current plan for the national identity register is for biometric information to be held separately from biographical information, thereby safeguarding against the sort of eventuality that the right hon. Gentleman described.

David Davis: I do not look forward to the day when the National Audit Office or anybody else asks for that information and is sent it. Let us look at the other aspect of identity cards: the question of protection. The Home Office is currently prototyping a European-wide identity card project called Project Stork. How will it prevent a repetition of the disaster of the past few weeks when sensitive personal data are held not by one Government but by 27?

Jacqui Smith: If the right hon. Gentleman wants to give me more information about the particular allegation that he is making, I will of course be willing to follow it up, but the point that I made remains. The advantage of a national identity register is that it enables the linking of biometric information, maintained on one database, with biographic data, maintained on another, thereby strengthening the protection for individuals in circumstances where, for example, biographic data were stolen or went missing. That is a strengthening of the current position, which is why any Government or Opposition who are serious about public protection and identity fraud should be thinking seriously about how we address those issues, instead of making hay.

T6. [167451] **Mr. John Heppell** (Nottingham, East) (Lab): I welcome the Home Secretary's announcement that we are to crack down further on illegal working in the United Kingdom. I accept that there is no excuse for illegal working or undercutting wages in any circumstances. Does my right hon. Friend agree that, when employers knowingly—I stress, knowingly—hire illegal workers, there should be even tougher penalties, including unlimited fines and imprisonment?

The Secretary of State for the Home Department (Jacqui Smith): My hon. Friend makes an important point. An important part of the announcement that we made last Thursday was that we should take a more fast-track approach to employers who have employed illegal workers, perhaps through negligence or through not carrying out proper checks. Such activity is serious, and should involve a civil penalty, but we would also support the ability of those employers to check the status of their workers. There should, however, be a different scale of offence for those employers who knowingly employ illegal immigrants, often for their own personal profit and to the detriment of the welfare of the people they are employing. My hon. Friend is absolutely right to say that there should be the potential for a prison sentence in those cases, and there will be the potential for a prison sentence of up to two years and an unlimited fine in those circumstances.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Last Tuesday, we learned from Home Office figures that the number of failed asylum seekers who have been deported now stands at its lowest level in five years. That comes on top of figures showing that successful appeals against an initial refusal are as high as 40 per cent. for asylum applicants from some countries. Does the Minister not agree that the system is inefficient and inhumane, and that it is now time to take the radical option, as in Canada, of establishing a fully independent asylum applications system? The system in Canada has a rate of successful appeals following refusal as low as 1 per cent.

The Minister for Borders and Immigration (Mr. Liam Byrne): On behalf of Labour Members, I welcome the hon. Gentleman back to the Chamber following his absence. He has been much missed. As he will know, my objection to his proposals relates to the fact that I am extremely concerned about the pattern of behaviour demonstrated by his party on tackling illegal immigration. First, there was his party's decision in Committee to vote against an extra £100 million for immigration policing. Then, there was its proposal to extend an amnesty to certain people, some of whom would have claimed asylum. That is a policy that—

Mr. Speaker: Order. We are not going to use up this time talking about Liberal party policy. I call David Winnick.

Mr. David Winnick (Walsall, North) (Lab): As the Government are clearly in favour of good community and race relations, will my hon. Friend the Minister

and the Home Secretary deplore the fact that notorious Nazi sympathisers and racists are being given a platform tonight by the Oxford Union? Should not all the political parties in the House condemn that, as anti-fascist organisations and Jewish and Muslim groups have done? The Oxford Union should know better than to provide a platform for these hooligans.

Jacqui Smith: I thoroughly deplore the sentiments, the expressed views and the actions of both the gentlemen who are due to speak at the Oxford Union this evening. There is already legislation in place, which I hope will be used wherever they speak if they overstep the mark. The Oxford Union is a debating society, and I know that some hon. Members have now, correctly and with dignity, resigned their membership of it. I am pleased to say that, during the three years that I was at Oxford university, I never even attended the Oxford Union, partly because it was simply a debating society. It is up to the society to make its own decisions, but I completely deplore the views and attitudes of those who will be speaking in that debate.

T7. [167453] **Mr. John Randall** (Uxbridge) (Con): When my right hon. Friend the Member for Haltemprice and Howden (David Davis) asked the Home Secretary about a scheme, it seemed that she was not aware of it. Can she confirm whether she is aware of the scheme that he was talking about?

The Secretary of State for the Home Department (Jacqui Smith): I outlined all the details and safeguards already proposed for the national immigration register, including the fact that biographical information will be kept separately from biometric information, and the Minister for Borders and Immigration has already outlined our suggestion that we should look even further into the relevant safeguards. However, Conservative Members should think very carefully if they are challenging us on the need for public protection—particularly for increased protection in respect of illegal immigration and counter-terror—while at the same time proposing the withdrawal of an important method through which we will be able to safeguard people's identities as well as tackle terrorism and illegal immigration. That is the serious issue here.

T9. [167455] **Mr. Adam Holloway** (Gravesham) (Con): The Minister for Borders and Immigration said that migration is bringing new wealth, but also new worries, to Britain. How will the points-based system with no upper limit address those worries?

The Minister for Borders and Immigration (Mr. Liam Byrne): The points system will cover a much greater proportion of the inflow of newcomers to this country than the hon. Gentleman's party's proposal, which would limit a cap on economic migrants from outside the EU. The important point is that when setting the balance in the points system we must not only listen to the needs of the business community—we know that migration is worth £6 billion to our economy—but look at the wider impact of migration on British public life. It is only by weighing the two that we will achieve the right net balance in migration policy for this country. On that, I believe that there is a degree of consensus between us.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my hon. Friend aware of increasing evidence of groups of men in most of our towns and cities—certainly in Yorkshire and probably beyond—who are actively targeting girls as young as 12, 13 and 14 in order to exploit them sexually and get them into prostitution? Is he further aware that when these cases come to the fore, very little leadership comes from the police?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I thank my hon. Friend for that reply—*[Interruption.]* We are aware of those sorts of crimes and there have already been one or two police operations with respect to them. Indeed, Operation Pentameter II, the new police operation tackling the trafficking and sexual exploitation of young girls—either internally or from abroad—is highly aware of my hon. Friend's point. It is working hard with local police forces to ensure that when the operation is finished police forces across the country will have that aspect of policing as part of their core business.

Welfare and Skills

3.32 pm

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): With permission, Mr. Speaker, I will make a statement about the reform of welfare and skills.

Since 1997, the Government have transformed work: 29.2 million people are in work—2.8 million more than in 1997—1 million fewer people are on out-of-work benefits, and increased prosperity has been felt in every region and every nation in the UK. But the world continues to change, and we must change, too. In an increasingly globalised and competitive world, we must use to the full the skills, talents and aspirations of all our people. As my right hon. Friend the Prime Minister said this morning, Britain's economy of the future will have 5 million fewer unskilled jobs than today, so to succeed as a country, we must raise our skill levels as never before.

The global changes threaten those who are least well equipped to respond. Those with low skills will find it harder to find work. Even today, it is estimated that 15 per cent. of claimants have basic skills needs and 50 per cent. have qualification levels below level 2. They and their families struggle to share in the increasing prosperity of Britain.

That is why, today, together with my right hon. Friend the Secretary of State for Work and Pensions, I have published "Opportunity, Employment and Progression: making skills work". It sets out how we are transforming welfare by putting skills at the heart of the system. As my right hon. Friend the Prime Minister said this morning:

> "If in the old days lack of jobs demanded priority action, in the new world it is lack of skills."

We will change the benefits, skills and employment system. When people sign on for benefits, they should sign up for skills. We will make it easier for those on benefits to gain new skills. We will provide the tailored support that people need in order to get into work, and we will provide new opportunities for people to train. We intend to introduce legislation to give legal rights to train, but with those rights come responsibilities—responsibilities to upskill and to work.

Obtaining work, however, is just the start. We will also help people to get on in work by helping them to progress. We will create an advancement and careers service to help people overcome the barriers to moving from welfare to work and beyond. As my right hon. Friend the Secretary of State for Work and Pensions has announced, all new jobseeker's allowance claimants will be given a more rigorous skills check to identify those who need basic numeracy, literacy and English language training or support. All new claimants will be able to use the new advancement and careers service to undertake a comprehensive skills health check. For those who are out of work for six months, we will make skills health checks mandatory, at the discretion of Jobcentre Plus advisers.

Where the need for raised skills is firmly identified, we will pilot giving Jobcentre Plus personal advisers enhanced powers to mandate training, and to offer training allowances of up to eight weeks' full-time study when it is clearly designed to meet employers' needs. For lone parents on income support we will extend the employment retention and advancement pilot nationally, providing in-work advisory support and discretionary emergency hardship grants of up to £300. We are also rolling out a weekly work credit of £40, or £60 in London. All lone parents will receive a skills screening at the start of their claims, and we aim to ensure that all of them can undertake a skills health check. We will offer such a check to lone parents two years before they are due to return to work, and will consider making it mandatory.

For those on incapacity benefit, the housing benefit rules will be changed to abolish the 16-hour rule which limits the hours of study for those on the short-term rate. Long-term benefit claimants moving into work will see an increase in income of at least £25 per week, allowing for reasonable transport costs.

As we change the welfare system, we will also improve opportunities to train. In setting the Learning and Skills Council budget for the next three years, I recently announced improved opportunities for training at every level. We will invest £1.5 billion a year in basic skills for life and pre-level 2 training. We will increase the number of training places at level 2 to 800,000 by the end of the next three years, and will increase the number of level 3 places by 148 per cent. by three years from now. We have set aside enough funds—subject to the availability of high-quality employer places—to increase the number of apprenticeships in England from 250,000 to 400,000.

However, we need to do more to ensure that the training opportunities are available to those who need them most. My right hon. Friend and I will ensure that Jobcentre Plus, colleges and training providers work more closely together. Tomorrow my right hon. Friend will give more details of how Jobcentre Plus services are to be commissioned in future, but I can say today that there is a joint commitment to greater convergence with LSC funding, and that we will jointly explore the scope for progressively joining up processes to underpin the integration of employment and skills services.

For many people, the transition from a low-paid to a better-paid job can be as hard as moving from benefit to work. We will ensure that the advancement and careers service works closely with Jobcentre Plus, training providers and other voluntary and statutory agencies to provide skills screening, skills health checks and access to advice on overcoming all the obstacles to progression, including child care, housing, transport and in-work benefits. I can announce today that I have allocated £2 million to test 10 prototypes in 10 areas next year.

The advancement and careers service will provide full skills health checks for half a million work seekers and half a million people in work per year by 2010-11. I can also confirm that we will pilot skills accounts from next year. We want learners with skills accounts to have access to £500 million of funding by 2010-11, and to nearly £1.5 billion by 2015.

Through local employer partnerships, more than 200 companies have committed to offer jobs to people who are out of work, helping towards meeting our target of 250,000. The Learning and Skills Council, colleges and training providers will work closely with Jobcentre Plus and employers to ensure that individuals receive both

[Mr. John Denham]

pre-employment and in-work training. High-quality in-house training is provided by many companies involved in the LEPs, and I have asked for the accreditation of in-house employer schemes to be fast-tracked, and expect the first schemes to be accredited by Christmas.

This country can deliver the opportunities to work and to gain better skills only through the closest possible partnership with employers. That is why we are making the training system more responsive and flexible to meet the needs of employers. Fifty-two thousand employers have taken advantage of "train to gain" with more than 100,000 learners gaining new qualifications. Today I can confirm that the budget for "train to gain" will rise to more than £1 billion by 2010-11—about one third of the adult training budget. Colleges that are successful in meeting employers' needs will be able to expand the volume of training they provide, and the bureaucracy of taking part in "train to gain" will be reduced.

We will allocate £90 million to enable 60,000 small and medium-sized businesses to identify how skills training would grow their business and profitability. We will extend "train to gain" to cover volunteers, the self-employed and offenders who have secured employment prior to their release. We will ensure that there is a further education system that provides specialist vocational excellence in key areas of teaching and learning, both at national level—through national skills academies—and at regional and local levels. "Train to gain" brokerage will be extended to larger companies.

Our reforms to put skills at the heart of welfare will help to drive Britain's economy forward to compete in an increasingly competitive world. By giving people new rights and responsibilities, we will unlock the talent and aspirations of all our people to ensure that no one gets left behind. These reforms are fundamental to creating a stronger, fairer and more prosperous society. I commend the paper to the House.

Mr. David Willetts (Havant) (Con): Nobody on the Opposition side of the House would quarrel with the Government's objective of having a more skilled work force, or the importance of tackling the barriers that stop unemployed people getting into work, but in order to make real progress in tackling those problems the Secretary of State would have had to confront uncomfortable evidence that would have explained that after 10 years of initiatives many of the Government's policies are still not working. In particular, why is it that after 10 years the number of young people aged 16 to 24 who are not in education, employment or training—the so-called NEETs—has increased from 1,082,000 to 1,260,000? The Secretary of State should have confronted that uncomfortable evidence, so as to do better in the future.

The Opposition agree on the importance of linking jobcentres and skills. That link desperately needs to be made, and we want it to work. Again however, for it to work the Government need to learn lessons from what has not worked so far. In particular, if the only skills training that is going to be available at jobcentres is accredited training leading to LSC-approved qualifications —which is how so much of the funding is currently disbursed—is there not a real danger that some of the most worthwhile programmes will suffer from not being accessible to unemployed people? This morning, I visited City Lit—probably the country's largest adult education college, and an excellent institution which I know that the Secretary of State has visited—where I was told that many of its most worthwhile courses that help people out of unemployment and into work were suffering from cuts in LSC funding, because they did not provide accredited qualifications of which the LSC approved. If the Secretary of State is going to use this joint working simply to push people into accredited qualifications, is there not a danger that he will miss out many of the courses that people really need?

I also have some questions about the programmes that the Secretary of State has announced. He has announced that £1.5 billion a year will be invested in basic "skills for life" and pre-level 2 training. He has announced that we will increase the number of training places at level 2 to 800,000. However, are these not courses that plug the gaps that should have been filled at school? They are teaching people the basics of reading, writing and arithmetic—giving people the basic equivalents of GCSEs. The Secretary of State began by saying that this was part of his new vision of a highly skilled work force competing in a competitive global economy. Now, what he is really announcing is extra places to plug the gaps in a school system that should be doing better.

I accept that not all those people left school under Mr. Blair. Some will have left school under Margaret Thatcher and John Major, and quite a few probably left under Harold Wilson and Jim Callaghan. However, the Secretary of State cannot pretend that such a programme is in any way rising to the challenge of providing skills for the 21st-century economy.

The Secretary of State also talked about apprenticeships, but let us be clear about what he is pledging. He is now talking of a target of 400,000 apprenticeships, up from 250,000 today. Will he confirm that back in 2002, the then Chancellor—now the Prime Minister—promised 300,000 apprenticeships by 2004? Will he confirm that then, in April 2003, the then Chancellor promised 320,000 apprenticeships by 2006? Will he confirm that as recently as this year's Budget, in March, the then Chancellor promised to double apprenticeship numbers to 500,000? So, what we have here is a record of successive retreats from ambitious commitments and pledges because of a failure to deliver them. Will the Secretary of State also confirm that the number of apprenticeships that we recognise as apprenticeships—genuine technical qualifications sponsored by employers, which are now called advanced apprenticeships—have been in steady decline under this Government, and have now fallen below 200,000?

Finally, I congratulate the Secretary of State on something that is enormously to his credit—on not using at any point in his statement today that British National party slogan, "British jobs for British workers". The Opposition congratulate him on his self-restraint. Long may it continue.

Mr. Denham: I am grateful for the warm welcome that the hon. Gentleman has given the statement—but unfortunately I have to point out to him that he is in error on almost everything that he said. Let us take for a start the claim that the figure for young people not in

education, employment or training shows a fundamental failure in the system. The first thing that we must understand is that there has been a massive fall in the long-term youth unemployment that characterised the experience of so many young people under the Conservative Government. Secondly, there has not been a significant change in the proportion of that cohort who are not in education, employment or training compared with the period when the Tories were in power; however, there have been very significant shifts in what it represents. It represents not only far less long-term youth unemployment but the massive increase in the number of students taking gap years from university, who are not distinguished in the figures.

There is a real issue here. There has been some increase in the number of under-25s claiming incapacity benefit, which is one reason why my right hon. Friend the Secretary of State for Work and Pensions, as part of his statement earlier today, indicated that pathways to work—the very successful programme that has begun to reduce the number of people on incapacity benefit—will not only be extended nationally to new claimants but will for the first time be targeted at existing claimants, starting with the under-25s. So where there is a problem, we are determined to address it.

On training the hon. Gentleman and I are simply going to have to disagree. There are a range of measures, budgeted for, for the Learning and Skills Council and Jobcentre Plus that are intended to ensure that individuals gain the early skills that they require to get into work, and that they can continue to get recognised qualifications when in work. Those courses—whether they are delivered by the employability skills programme that started in August, which focuses on getting people into work, or by the pre-level 2 programmes—are designed to achieve the two things that individuals want: sufficient capacity to get a job in the first place, and the qualifications and skills that mean that they remain in work and do not go back on to benefit. Our programmes are chosen with those aims consistently in mind. We have stripped out the programmes that have proved not to be effective for the individuals concerned.

As for the £1.5 billion to plug the gap, the hon. Gentleman had enough intellectual honesty to abandon his argument halfway through. We could spend all afternoon agreeing that Mrs. Thatcher's Government were a terrible Government. A moment's thought will tell us that the vast majority of those in the work force did not leave school under this Government—and certainly did not complete the greater part of their schooling under this Government. That does not really matter, though, because some of them did, and the point about these policies is that we cannot write people off. There must be a second or even a third chance for people who missed out first time round—and I would extend that to the diminishing number of young people for whom that would be true under this Government. This is the right thing to do.

On apprenticeships, the hon. Gentleman's research is simply wrong. He has—inadvertently, I am sure—confused figures that my right hon. Friend the Prime Minister used when talking about the UK as a whole with the figures that I have been using for England. The significance of my announcement is that the target for 2020 was for 500,000 apprenticeships for the UK as a whole and 400,000 for England. With the funding that we have set aside, and if we can secure the proper, quality employer places, we can achieve the 2020 target about eight years early. That would be good for the economy and enormously good for young people who are seeking work in this country.

Kali Mountford (Colne Valley) (Lab): I congratulate my right hon. Friend the Secretary of State on his visionary statement. Although I agree that many people need help because they did not have the advantage that young people have today of having literacy and numeracy skills set before them, some who did have such chances now need to gain new skills because they have ill health and have to change to a different job. Will my right hon. Friend explain to the House more fully how people whose old skills are no use to them any more, and who need a new chance, can, with the help of their employer and perhaps their trade union, train for something else?

Mr. Denham: My hon. Friend raises an important issue, and I shall just mention two things. First, I pay tribute to the work of the 18,000 union learning representatives. We estimate that they have encouraged about 250,000 fellow employees back into work over the past couple of years since the scheme has been running. Someone's best friend at work will often be the most likely person to convince them that they should have another go at training, and the union learning representatives have been a success.

Secondly, and importantly, I come to something that was part of our review of "train to gain". In the first year of the programme, it was not possible to use "train to gain" to provide a subsidised place for someone who already had a level 2 qualification. We are now saying that where an employer is using "train to gain" we will not discriminate in that way between those of their employees who have a first level 2 qualification and those who do not. That will free up the system enormously for precisely the sort of person that my hon. Friend has in mind.

Sarah Teather (Brent, East) (LD): I thank the Secretary of State for providing an advance copy of the statement, and there is much to be welcomed in it. The joined-up approach is common sense, and I welcome the change in respect of the 16-hour rule for benefit and study. We have requested that for a long time. We might question why the long-term unemployed and those who are workless were not receiving a skills audit as a matter of course, because most people would have expected that to have been happening anyway. It is worth reminding everyone that the number of people who are long-term sick is more or less the same as it was when this Government came to power in 1997.

I have some questions about the Secretary of State's statement. Does he envisage the advancement and careers service to be the same as the universal adult careers service that he announced in the summer? If it is not the same, how were they linked together? If it is the same, has he learned the lessons from the Connexions service? Although Connexions improved the service for many young people from socially excluded groups, we found that a decline in access occurred for people who wanted simpler and more straightforward advice.

[Sarah Teather]

There are three obvious elements that a careers service needs to work. The first is personalisation, the second quality and the third independence. Personalisation is obviously key, and I wonder whether the Secretary of State has learnt the lessons from the new deal, in which many young people were pushed on to generic programmes, rather than on to specific courses that addressed their personal issues. Does he envisage some sort of triage system, which could provide signposted advice to people who may require advice on medical issues or child care? How would that link with the careers service?

Often, the issues with access to training and work are about confidence, and many people do not have the self-confidence to go on a full accredited course. It would be a shame if the Government ruled out the option of unaccredited courses, in areas such as leisure, which they often pooh-pooh. For many people, those are the only route back into learning.

On quality, how will the proposals be linked with the closure of Jobcentre Plus offices, especially in rural areas? Does the Secretary of State really think that Jobcentre Plus is the ideal vehicle for providing an expert careers service, and will he invest sufficient money to bring it up to standard? The Connexions service provides services to 2 million young people and costs £500 million. If we extend that to all the workless, it would cost some £2 billion. Does he envisage that level of investment to provide a high-quality service?

On independence, what involvement does the Secretary of State envisage for the voluntary sector, and what role will local authorities play? The Lyons review, for example, foresaw a role in place shaping, and that would appear to be a good example of how local authorities could play a role in training.

For many people, it is a big jump to a full accredited course. The people who are finding it difficult to stay in the job market are the very ones who will find it difficult to stay on a full course. When will the Government make proposals for a credit-based or unitised approach to level 2 and level 3 accredited learning? That is vital to ensure that people who begin training can reap the benefits of what they have already undertaken.

The Secretary of State has announced £1 billion for the "train to gain" programme—but what proportion of that money will go to the broker system, rather than to training?

Mr. Denham: I congratulate the hon. Lady on a considered and intelligent response to the issues I raised this afternoon. The figures that I have for incapacity benefit suggest that the numbers claiming it have fallen since 2003 by 120,000, which is due in no small measure to the success of the pathways to work programme, which is why it is now being extended across the country and targeted at young people under 25. It is worth remembering that had the trends continued as they had become well established in 1997 under the previous Government, some 4 million people would be on incapacity benefit by now. This Government had to turn round the supertanker and get it going in the right direction.

The hon. Lady asked about the advancement and careers service, and it does refer to the same concept. My view was that the idea of a careers service sounded much narrower than the practical support that many people want, which will also address child care support, disability access issues and housing issues, all of which may be as significant an obstacle for an individual as the obtaining of a qualification.

The hon. Lady raised some good questions about the design. As I said in the statement, I want to see about 10 prototypes across the country, because I do not want to prescribe the approach from the centre. We will need to link up Jobcentre Plus with colleges—but different areas have different patterns of local voluntary sector advice services, for example. I hope that local authorities will make various proposals for the best way to achieve an integrated service, and I am sure that they will involve the voluntary sector.

On the issue of accreditation, vocational qualifications are moving towards a system of unitised credits, so it will be possible for someone to put together a vocational qualification having done part of a course here and part there.

That is attractive and sensible. However, it is not sensible for us to start putting a lot of money into completely unaccredited courses that cannot contribute to an overall training or qualification record for the individual. Despite what is often said by advocates of unaccredited courses, there is little evidence that they are helpful in enabling people to get into work or stay in work.

Rob Marris (Wolverhampton, South-West) (Lab): During the Queen's Speech debate on training, Cabinet Ministers said that every young person would have a legal right to an apprenticeship. Today, my right hon. Friend said that increasing the number of apprenticeships in England from 250,000 to 400,000 would be subject to high quality employer places being available. Will he assure me that if not enough apprenticeships are available in the private sector the numbers will be made up in the public sector?

Mr. Denham: I can certainly tell my hon. Friend that we want significant expansion of public sector apprenticeships. Some parts of the public sector, including the Ministry of Defence, have a tremendous record in providing high quality apprenticeships; others, including some but not all local authorities, the health service and so on, provide relatively few. We shall want to encourage such provision in any case. We hope to achieve the legal right for young people by 2013. However, I do not want to mislead the House; we could achieve the 400,000 England total without actually reaching the full number we would need to meet the young person's guarantee—that will take longer on any trajectory. I do not want to achieve the numbers of apprenticeships at the cost of quality, so it is right that we always caveat the target. We have put aside the money, a major review of apprenticeships is going on and a draft Bill on apprenticeships will be published later this year setting out our plans. All that will be aimed at ensuring we get the number of apprenticeships we want as well as high quality. There is no point in giving young people a guarantee if it is not a guarantee of something they actually want.

Miss Julie Kirkbride (Bromsgrove) (Con): Earlier, in seeking to dismiss the figures given by my hon. Friend the Member for Havant (Mr. Willetts), the Secretary of

State significantly did not mention the number of advanced apprenticeships. Can he inform the House of the number of advanced apprenticeships over the last few years and tell us what plans he has for those schemes? A lot more people will reach level 2 qualifications, but if we are really serious about building skills for the future we need a lot more people to do an awful lot better than they do at present.

Mr. Denham: We need to remember that this is all relative; there were only 75,000 apprenticeships when the Government came to power, but there are 250,000 now. The completion rate for level 3 apprenticeships was not good and we have massively increased and improved the completion rate for level 2 apprenticeships. One of the issues the apprenticeship review will examine is options for an increase in apprenticeships at higher level. As a step in the right direction, in our recent guidance to the Learning and Skills Council we asked for 30,000 new apprenticeships—10,000 a year—aimed specifically at over-25s who want to retrain or up their skills to a higher level. I think that will be the first time provision has ever been made for a dedicated apprenticeship service for over-25s.

Chris Bryant (Rhondda) (Lab): May I ask the Secretary of State about one of the most excluded groups in Britain—teenage mums? As he knows, we have the second highest level of teenage pregnancy in the world and the highest in Europe. All the evidence suggests that girls who underachieve at school are the most likely to get pregnant under the age of 16 or 18 and that those who become teenage mums are the least likely to complete their education. Will my right hon. Friend consider launching a particular effort to try to cut teenage pregnancies by increasing educational opportunities?

Mr. Denham: I am sure my hon. Friend is right. It is an issue that the Secretary of State for Children, Schools and Families, my right hon. Friend the Member for Normanton (Ed Balls), is pursuing with the Department of Health. It is enormously important. It is also important that there is the possibility of a second chance for teenage mothers so that, having started a family much earlier than they had planned, or possibly wanted, they can still get back into the world of work. One of the reasons why we want the new advancement and careers service to reach into places such as Sure Start children's centres is to make it clear that there are options to go back and train and to have a second chance to gain the skills and qualifications that were missed at school. We must make sure that such advice is available in the places that young teenage mothers are likely to go and where they are likely to be with other people who can support them to take up a training option even if they missed out at school.

Sir Nicholas Winterton (Macclesfield) (Con): Does the Secretary of State not accept that his Prime Minister actually appreciates the achievements of the Thatcher Government despite what is said by those on the Government Benches? It is important to understand that.

Does the Secretary of State not also accept the point made by my hon. Friend the Member for Havant (Mr. Willetts) that secondary schools underplay and underestimate the importance of vocational training, which is now provided in the main by colleges? What extra money is therefore being given to the colleges of further education, such as Macclesfield college, that do so much to provide the skills that are required by the industrialists and the commercial companies of this country?

Mr. Denham: Vocational training should obviously be properly recognised in every part of the education system. That is one of the reasons why my right hon. Friend the Secretary of State for Children, Schools and Families has brought forward proposals not only to introduce but to extend the range of diplomas, which for many young people will be able to bring together academic and vocational studies. It is also one of the reasons why the machinery of government was reorganised to give the Department for Children, Schools and Families a clear focus on 0 to 19-year-olds and particularly on 14-to-19 policy. It is very important that there is a coherent plan in each area for the different routes available to young people at 14 and that must include the option of a good vocational education, including the option of a pre-apprenticeship in school and going on to an apprenticeship at 16. I hope that the effects of these reforms overall will be to ensure that all children receive guidance that a vocational course is a very good course to take if it is right for their skills, aptitudes and ambitions.

Mr. Gordon Marsden (Blackpool, South) (Lab): My constituents in Blackpool will very warmly welcome what the Secretary of State has said about the abolition of the 16-hour rule, about the extra help for small and medium-sized businesses and particularly about the support for lone parents, of whom there are high numbers in this country. However, does he agree that the reskilling of older workers in particular is as vital as upskilling? To that extent, will he confirm that, as part of the overall approach, the Government are looking to have an all-age strategy for advice and guidance and, in so far as they are able to do so, they will make it clear to local authorities with budgetary considerations that they should do likewise?

Mr. Denham: First, I pay tribute to the work that my hon. Friend has done on the issue of skills, particularly as part of his leadership of the all-party skills group.

Of course, this is not purely a strategy for younger members of the work force. Everybody will recognise why a priority is given to lone parents and to under-25s because of the long-term costs to them of being locked out of the world of work and becoming totally dependent on the benefits system. However, the overall approach has to apply right across the work force. That is one of the reasons for creating apprenticeships aimed directly at the over-25s, and it is another reason for changing the "train to gain" system so that it can include those people who already have a level 2 qualification if their employer is taking part in "train to gain". The advancement service is clearly there for them as well.

The challenge of getting the work force that we need in this country by 2020 means raising skills right across the work force. Some 70 per cent. of that work force have already left school and the grim truth for our economy is that we cannot achieve the skills levels that we want by focusing solely on those who are currently in school or have left school in the past few years.

Mr. John Redwood (Wokingham) (Con): Are the Government going to withdraw benefit if someone refuses a training place or a job on offer?

Mr. Denham: We have said today—my right hon. Friend the Secretary of State for Work and Pensions has said it—that it has been agreed that there will be pilots for mandatory training. That will come in after six months if a personal adviser is, first, convinced that somebody should undertake a skills health check and, secondly, that it would be directly relevant to them to get training. Although the details have to be worked on, I suspect that it will also take place after somebody has refused to take up the offer of extended support, such as up to eight weeks of full-time training with a training allowance. Most people in the House would take the view that the system should operate to provide people with every possible bit of advice, encouragement and support to go back into training, but there is a point at which somebody has to say, "If you haven't taken the opportunities, you can't expect not to do anything about it."

Mr. Terry Rooney (Bradford, North) (Lab): I welcome the thrust of my right hon. Friend's statement, but I take exception to one point. There is absolutely no evidence that moving lone parents to a JSA regime will produce the effect that has been mentioned. His last words, about encouraging people to participate, reflect the right approach—not being punitive. Is he aware that the big four supermarkets employ 600,000 people and 200,000 a year leave—most of them are women and a large percentage are lone parents—because they are given no skills, no encouragement, no training and no prospect of advancement? What does that say for the skills pledge that all those companies have signed?

Mr. Denham: The detail of the proposals to lower the age—the children's age—at which lone parents can continue to claim income support, and other changes to the JSA regime, were consulted on in the summer. The Department for Work and Pensions has just come to the end of the consultation period and will deal with the detailed issues that my hon. Friend raises when the results of that consultation are announced in due course. However, there are things that most people will welcome in today's announcement—particularly the roll-out of the employment retention allowance, part of which is aimed at dealing with the sort of short-term problem that can force a lone parent out of the labour force, when otherwise they would keep their job. It is sensible to get lone parents to focus on their skills needs well before the time when they might potentially lose their entitlement to income support. So there is a period of two years during which, by definition, the children will be at school—there will be extended schools to cover the hours—and the lone parent will have time to gain qualifications. Those changes to the regime are sensible and will have a positive effect on the lives of many lone parents.

Hywel Williams (Caernarfon) (PC): Plaid Cymru and the Scottish National party welcome, in particular, the changes to the 16-hour rule. Any further investment in skills is very much welcome too. The Secretary of State said that claimants will be helped to gain core skills, including English language skills where needed. Welsh language skills are occupational qualifications for many jobs in Wales. Will the Government make extra, consequential help available to the National Assembly to take on this extra burden?

Mr. Denham: This is one of those moments when my gratitude for the fact that this is a dissolved responsibility—*[Interruption.]* Not dissolved, devolved. This is one of those moments when my gratitude for that fact knows no bounds. However, I will draw the matter to the attention of the relevant colleagues.

Richard Burden (Birmingham, Northfield) (Lab): The statement contains a number of useful initiatives, but will my right hon. Friend say a little more about the 16-hour rule? That rule has been a barrier not only to young people, who have not been able to fulfil their potential by getting back into education, but to people who have lost their jobs. Up until now, we have sent out a ludicrous message by telling them to retrain and then cutting their benefit if they do. How are the changes intended to work, not just for those on incapacity benefit, but more broadly?

Mr. Denham: First, on incapacity benefit—an issue on which many Labour colleagues have campaigned for a long time—we have said that we will remove the 16-hour rule in relation to housing benefit completely for short-term recipients of incapacity benefit so that they, like long-term IB claimants, will always be able to take up the training they need to return to work. We will consider whether it might be practical to define limited exemptions from the 16-hour rule for specific groups such as young people living in supported accommodation—an issue that has been pushed strongly by the Foyer movement. In addition, under the JSA regime, there will be the possibility that after the six-month point has been reached, the DWP or the Jobcentre Plus advisers will have greater discretion to offer a training allowance for up to eight weeks of full-time training, where that is judged clearly to be what an employer needs to get an individual back into work.

Andrew Selous (South-West Bedfordshire) (Con): Will the Secretary of State clarify whether it is still the case that people who have enormous difficulty in reading, writing and counting can still be in receipt of JSA for six months without any requirement that they receive help in upgrading those skills? Is that not a real worry, given that two thirds of all JSA claimants each year—around 1.6 million people—are making repeat claims, so many claimants are going in and out of work before the six-month period, with very low skills?

Mr. Denham: One of the reasons for ensuring that the initial skills check is more rigorous than the current check is to ensure that those whose basic numeracy and literacy problems have not been tackled in the past are correctly identified and directed towards the areas where they can receive assistance. We have also said, and I said this afternoon, that further down the process, we will pilot mandatory training for those whose personal adviser judges that that is the major obstacle to getting somebody into work. In doing that, we will look at the experience that we have gained from a prior attempt to pilot the scheme, which did not

produce a big return to work. We believe, though, that particularly with the development of the employability skills programme that was introduced jointly between my Department and the DWP just this August, we are clearer about the type of work-related training that can successfully deliver the very skills to which the hon. Gentleman refers, and therefore make the piloting of mandatory training more plausible than it may have been in the past.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): In the Westbourne ward in my constituency, 83 per cent. of all children are growing up in workless households only a mile from the west end, not because those people lack ability or because they lack motivation, but because of the multiple challenges of high housing costs, high child care costs and a mismatch between skills and the labour market. Will my right hon. Friend consider areas such as that being used as a prototype to test various measures, and in particular to examine the issue of job sustainability? It is not entry into the labour market, but keeping work that is the problem. Will he undertake to examine why some areas and some groups of people face particular problems maintaining themselves in work?

Mr. Denham: I pay tribute to the high level of work and sustained commitment that my hon. Friend has given to this area of interest. I cannot say this afternoon where the prototype areas for the advancement service will be, but I am sure that if the right group of people could be put together locally, we would certainly be interested in proposals coming from her area. She rightly identifies the complex set of issues that individuals often have to face in moving successfully into work. Rightly, I have emphasised to the House this afternoon the importance of skills, but I have also emphasised that often it is not skills alone that will make the difference to somebody's ability to progress.

It is worth my reinforcing what I said in my statement about our overall aim—that is, we will ensure that long-term unemployed lone parents and those on incapacity benefit are better off in work, even after reasonable transport costs. That will be done by ensuring that long-term benefit claimants moving into work will see an increase in their income of at least £25 per week for, I think, a six-month period. That commitment and the changes that will be made to implement it will be significant in my hon. Friend's area.

Mr. Tim Boswell (Daventry) (Con): I understood the Secretary of State to say that there would be up to 500,000 improved and more rigorous skills health checks a year. Can he, in conjunction with his Secretary of State colleague, assure us that there will be sufficient people with the ability and skills to carry out those skills health checks, that the checks will be rigorous, appropriate and not peremptory, and that they will be supported by people and advisers who know not just about job placement, but about careers development and the educational attainments that are appropriate to the scheme? If there is to be a single skills result, there must be a multi-skills offer for those people.

Mr. Denham: The hon. Gentleman has made a constructive point, which relates to one of the reasons for having a number of pilot or prototype areas. There will be different ways of bringing together in local areas people with the various skills that he has described. We need to invite people to suggest the best ways of achieving the aim that I have set out this afternoon.

To be clear, two types of skills checks are being talked about. One is the original, simple—although hopefully more rigorous than it is today—skills check for the new claimant to identify their basic skills needs. The 500,000 skills checks or health checks for those in work and the other 500,000 for those out of work are the more comprehensive assessment, which would look at everything—existing vocational qualifications and skills needs other than basic numeracy and literacy. Rather more will be taking place than the hon. Gentleman took from my earlier statement.

Miss Anne Begg (Aberdeen, South) (Lab): The Secretary of State's announcement this afternoon, with all its meaty proposals, stands in stark contrast to the lightweight proposals on the skills agenda that have come from the new Scottish National party Government in Scotland. Like many others, I welcome the abolition of the 16-hour rule in housing benefit; that was acting as a real barrier against people with disabilities getting back into the workplace and into training.

Has the Secretary of State looked at the physical barriers against disabled people going into training? There is an excellent access to work scheme that helps disabled people going into work to get adaptations or equipment that they need to access the workplace. Is it time for an equivalent access to training scheme, which would help disabled people to get into college or university for whatever training they need, so that they can upskill and get into the workplace?

Mr. Denham: My hon. Friend has made a good point. With others, my Department has to publish a single equality strategy, and I assure her that as part of that we shall look again to ensure that we have identified the issues that she has raised and to see whether further things should be done. My hon. Friend has made a valuable point and she is certainly right to pay tribute to the access to work programme, which has helped many people.

Mark Pritchard (The Wrekin) (Con): Does the Secretary of State agree that there is a great deal of difference between an inability and a disability, and that British citizens who do not speak the English language have an inability, not a disability? If he agrees, what progress does he think he will make on the issue in the next 12 months? What target has he set himself for getting people who do not speak English, and who are unable to work as a result, into the workplace?

Mr. Denham: The hon. Gentleman will know that we have recently made a couple of important changes to the English for speakers of other languages arrangements. First, we want to ensure that the budget, which is three times as big as it was just four or five years ago, is better targeted and that those who can afford to pay, and should reasonably be asked to, make a contribution towards the cost of their training. We want to do that to make sure that we target those in greatest need.

[Mr. Denham]

Secondly, we have introduced an ESOL for work programme for more recent migrants. That is paid for, but we think that it will meet the immediate workplace needs. I think—and I suspect that the hon. Gentleman does—that the challenge comes from those long-term residents, often British citizens, who do not have the English language and are therefore excluded from many activities of wider society. I assure him that we shall continue to look closely at the ESOL system and how it operates to see what we can do further to target resources on those people.

Mr. David Clelland (Tyne Bridge) (Lab): Does the Secretary of State agree that transport costs can be an obstacle to those who want to take full advantage of the opportunities available to them? Will he support the north east regional youth assembly in its campaign for concessionary travel for those between the ages of 16 and 19 who want to pursue further education and training across the region?

Mr. Denham: I pay tribute to my hon. Friend's imaginative initiative in raising an issue that is beyond my departmental responsibilities, in respect of funding for 16 to 18-year-olds and transport policy. I cannot answer directly about any proposals on that particular age group. However, I draw attention to the commitment to which I have already referred a couple of times today: we intend to ensure that long-term unemployed lone parents and those on incapacity benefit are better off in work, even after reasonable transport costs. That will be done by ensuring that long-term benefit claimants moving into work will, for a period, see an increase in their income of at least £25 a week. That applies to workers older than the group to which my hon. Friend referred; we clearly have plans to raise the participation age and so on. I shall draw his question to the attention of my right hon. Friends.

Mr. Charles Walker (Broxbourne) (Con): Hertford regional college in my constituency is undertaking a major new build programme to create a campus in Turnford fit for the 21st century. However, it will have to pay a VAT bill of more than £3 million for that building work. When secondary schools do new build work, they are not subject to VAT. Will the Secretary of State make representations to the Chancellor on behalf of the further education sector to see whether we can end that inequality?

Mr. Denham: Bearing in mind that 10 years ago there was no capital budget for further education colleges at all, I am fortunate to be presiding over a budget of £2.3 billion for FE colleges over the next three years. It is a bit of a cheek to complain about the VAT rules that applied under the previous Conservative Government.

Mr. Walker: It is a genuine question that deserves an answer.

Mr. Denham: But it is worth making the point that the difference between schools and colleges is that colleges are incorporated as independent institutions, which gives them a different tax treatment. I have not yet met a principal of an FE college who wished to return to local authority control, even if they would be able to reduce their VAT bill as a result.

Mr. David Chaytor (Bury, North) (Lab): I welcome the statement, particularly the great expansion in the number of apprenticeships. Does my right hon. Friend agree that the people at the bottom of the pile in respect of access to jobs and skills are ex-offenders? Although his statement makes reference to offenders who have secured a job before their release being able to benefit from "train to gain", the majority of offenders are not in that position. Does he agree that providing more advice, guidance, support and assistance for offenders after they leave custody is important both in its own right and as an incentive to reduce reoffending?

Mr. Denham: My hon. Friend is absolutely right to talk about the importance of offender education. I understand that the number of learner hours has increased by 35 per cent. in the past year alone. However, I would not like to lose sight of the significance of today's announcement. We know that one of the things that most reduces reoffending is an offender's knowing that they are working towards a guaranteed job when they leave prison. Including such offender learning within "train to gain" means that it will now be possible for an employer who is prepared to take on an offender to get their training paid for once they have left the prison estate. That could make a big difference to future reoffending rates, and it should more than justify the investment involved.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): Does my right hon. Friend agree that unlike the Opposition, who wrote off huge chunks of my constituency with the closure of the mining industry, these proposals will continue to extend people's opportunities not only to get into work but to undertake vocational training and to upskill, and that that is important not only for individuals and their communities but for the economy as a whole if it is to prosper?

Mr. Denham: My hon. Friend is absolutely right, both about the historical attitude of the Conservatives and in recognising that the statement says that the world has changed and moved on. When we came into power, we had to deal with the backlog of people who had previously been written off and the backlog of a party that had said that mass unemployment was a price worth paying. Today, the issue has changed. Unless we raise skill levels not only for people who are still workless but for millions of people in work, we will not be able to be a prosperous country in the future, nor will we be able to ensure that nobody is left out. The challenges have changed; today's announcement is about how we will meet those challenges.

Orders of the Day

Health and Social Care Bill

Order for Second Reading read.

4.29 pm

The Secretary of State for Health (Alan Johnson): I beg to move, That the Bill be now read a Second time.

This is an important Bill introducing improved and integrated regulation of the health and social care system as well as enhancing the regulation of health professionals who work within it. It will help to assure safety and quality of care for all patients and service users. The Bill will also set new regulatory measures where they are necessary, and enhanced regulation where it is appropriate. It will expunge provisions that are out of date and that no longer meet the needs of patients and service users.

Those measures are essential to meet the challenges of 21st century health and social care provision. What was once the single biggest worry for patients—long waiting times—is now far less of a concern. Before we came to power it was common for patients to have to wait 18 months for operations. By the end of next year, patients can expect to wait a maximum of just 18 weeks between being referred by their GP and beginning their treatment. I stress that that will be the maximum waiting time. We expect that most patients will be treated within eight or nine weeks of referral. However, as the spectre of long waiting lists evaporates, patients' expectations change with the times. Regulation of health and social care must keep pace with new demands, demographic change and medical advances.

This Bill will create a new integrated regulator for health and adult social care in England, the care quality commission, with tough new powers to inspect, investigate and intervene where providers fail to meet safety and quality requirements. Crucially, where infection control and hygiene are poor, the new commission will be able to act quickly and decisively. It will bring together functions from three existing statutory bodies—the Healthcare Commission, the Commission for Social Care Inspection and the Mental Health Act Commission—and will build on the expertise of those organisations.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I thank the Secretary of State for giving way at an early point in his speech. He will be aware that there is some concern in the social care sector that social care should have exactly the same status as health care under the new commission. Sadly, in the past, that partnership has been unequal. Will he assure me that the new commission will treat social care with the same importance as it does health care?

Alan Johnson: My hon. Friend raises the crucial issue with regard to the plan to merge the three current regulators. Social care must have parity in the new commission. That must be reflected on the board of the new commission and in everything that the commission does. I am pleased that she has given me the opportunity to reassert that that is the case, and that it needs to be the case. That point will be emphasised throughout the passage of the Bill.

I emphasise again that the Bill brings the vital role carried out by the Mental Health Act Commission into the heart of the care quality commission. That will strengthen the monitoring of the Mental Health Act 1983, and offer increased oversight of the treatment of patients subject to compulsory detention. I know that the MHAC places great emphasis on its visiting programme, covering each hospital and each ward that accepts detained patients. I expect the new commission to continue that approach.

The Government recently published their response to the consultation on the future regulation of health and adult social care in England. The consultation highlighted clear support for an independent, integrated regulator with a stronger focus on assuring safety and quality. For the first time, the regulation of the national health service, social care and independent sector providers will be carried out by the same organisation. As services become jointly commissioned and the boundaries between health and adult social care are broken down, it makes sense for our new integrated regulatory framework to work across those boundaries as well.

Mark Pritchard (The Wrekin) (Con): On the issue of joint commissioning, does the Secretary of State recognise that, as is so often the case, there is perhaps inadvertent confusion about whether the local authority or the primary care trust pays for a particular package of care? Within that confusion, it is often the patient—the consumer or end user; the person who needs services—who is subject to extra stress and burden, because they are being written to day after day by someone saying, "It is not our partnership; it is not our problem." Such people are falling between two stools. Will the Secretary of State give a commitment to the House that the Bill will address those key issues?

Alan Johnson: I accept that things are not perfect. Practice-based commissioning, which is quite new, has still to attract genuine buy-in. Lots of people say that they operate practice-based commissioning, but it is not operating as we would like. The question is not just about the Bill, but about other measures, too. World-class commissioning, which we are working on and will launch shortly, is aimed at ensuring that people do not merely talk the talk on commissioning, but walk the walk.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Secretary of State talked about the independence of the new care quality commission. If a chairman of the Healthcare Commission were required now, the appointment would be made by the Appointments Commission under the Health Act 2006. In the Bill, the Secretary of State proposes that the chairman and members of the care quality commission should be appointed by the Secretary of State. Why is he reducing the independence in the appointments process?

Alan Johnson: We will need to discuss that point as the Bill goes through the House. With a joint, integrated commission, it is the Secretary of State's role to make that appointment. It is a far more fundamental position, and such an approach is a necessary part of accountability to Parliament.

[Alan Johnson]

The new registration system for providers of health care and adult social care, which will cover both public and independent provision, will set the requirements that every registered organisation will need to meet. They will include requirements relating to infection control. With the creation of a new registration system for all registered activity, patients can rest assured that the care or treatment that they choose will be from providers who have demonstrated compliance with the same key safety and quality requirements, no matter where that treatment is provided.

Rob Marris (Wolverhampton, South-West) (Lab): I think that this is the appropriate point to mention that psychotherapists in the United Kingdom sometimes have a qualification, and sometimes do not. Sometimes that qualification is bogus; sometimes it is not. Sometimes they also have a medical qualification; sometimes they do not. The situation is a mess. Inexpert psychotherapy can be harmful to patients, who may think that they are receiving psychotherapy from someone who is properly trained. Indeed, the patient may think that the individual is a psychiatrist, which is entirely different—although some psychiatrists are psychotherapists, too. Will my right hon. Friend consider introducing regulation for psychotherapy under the auspices of the Bill?

Alan Johnson: Not as part of the Bill, but as a separate exercise, we are seeking to clarify precisely those areas that my hon. Friend has rightly mentioned.

Rob Marris: My right hon. Friend is very accommodating.

Alan Johnson: I do my best.

We expect that the vast majority of providers will continue to demonstrate that they deliver quality services in a safe, clean environment. However, the Bill will introduce a wide range of enforcement powers that the commission will be able to use when registered providers fail to deliver safe, high quality care.

Kelvin Hopkins (Luton, North) (Lab): In the run-up to the Bill, the Government have talked about lightening the burden of regulation for health and social care providers. Is that not worrying? Providers such as one or two that provide elderly persons' care in my constituency have closed down for failing to meet standards. We should be putting to the fore the safety and welfare of residents, not the burden on providers.

Alan Johnson: My hon. Friend makes a fair point. Of course, the new regime will involve a risk-based assessment, whereas previously providers received the same amount of treatment irrespective of whether they had a good record or even a record that was exemplary year after year. Usually the visits were determined by Government, not the regulators. The point of risk-based assessment is to ensure that organisations that have an excellent track record can experience either light-touch regulation or even no regulation, unless there is a problem. Meanwhile, the regulator can concentrate its attention on providers who have not met those standards. The two things go together. The essential point is that many organisations found themselves being visited by different regulators, and one regulator could carry out that function. I believe that that is an important step forward, without in any way compromising the important points raised by my hon. Friend.

Once any activity is registered, the commission can apply specific conditions to respond to specific risks, such as requiring a ward or service to be closed until safety or infection control requirements revert to the expected standard. The current Healthcare Commission can issue infection control improvement notices to NHS trusts only when it considers that the improvement will not be achieved in any other way. The new commission will not be restricted in that way. It will be able to visit trusts more frequently, close down wards and insist on their being thoroughly disinfected before they can be reopened. It could follow that up with more unannounced spot checks. It can also carry out annual infection control inspections of all acute trusts, using teams of specialist inspectors.

More generally, the commission will have the power to issue warning notices and penalty notices or instigate court proceedings to levy fines on any provider breaching registration requirements. When NHS bodies incur fines, the money will be returned to the local commissioners and reinvested to improve services, so that the local population does not lose out. The Bill also provides for the commission to undertake periodic assessments and reviews of care. The new commission will help reduce the burden of regulation on providers from itself and other public inspectorates through gate-keeping powers, which mirror those for other inspectorates, and through targeting activity where it is most needed.

The public expect value for money from their public services. In bringing together the regulation of health and adult social care in one regime, we will streamline regulatory activity and ensure that the commission manages its budget effectively, adopts a more independent and intelligent approach to regulation and provides a sharper focus on safety, quality and cleanliness.

Rob Marris: I thought that I would ask this question before the Opposition asked it, because the streamlining to which my right hon. Friend refers means bringing together the Commission for Healthcare Audit and Inspection and the Commission for Social Care Inspection, which are two bodies—I appreciate that a third body is also included—that the Government statutorily established only four years ago. Why the change after only four years?

Alan Johnson: As usual, my hon. Friend asks a pertinent question. If we consider the history, we see that there was no regulation before 1999 apart from that under the Mental Health Act 1983, which was an important development that the previous Government introduced. When the two new regulators were introduced, there was a debate in Government about whether they should be merged immediately—whether we should have one regulator for the health service and for social care, while recognising that a separate regulator already existed for mental health. At the time, it was decided that that would be too much in one go, so the two separate organisations were set up but a process of evolution meant that, almost as soon as the Healthcare Commission was established in 2004, a proposal was made in 2005 to merge the two bodies.

We are therefore considering a natural evolution. There will be no great change in the organisations' functions, apart from the important change for which the Bill provides, which is all about integration. Taken together, the provisions will make regulation of providers more efficient and more responsive to people's concerns. With social care and mental health as vital components, we will have a regulator that reflects the reality of integrated care delivered effectively to all patients, whatever their needs.

The Bill will also improve the regulation of the health professions and social care workers. Let me be clear from the outset that the overwhelming majority of health care professionals show remarkable expertise and exceptional commitment in their dealings with patients. They are as disturbed as we are about the rare occasions when a practitioner falls short of the high standards that they set themselves. That is why, as a society, we hold the professions in such high esteem and place so much trust in individual practitioners.

Earlier this year, the Government published the White Paper "Trust, Assurance and Safety", which set out wide-ranging reforms to the way in which health professionals are regulated. Those reforms build on the far-reaching recommendations in Lady Janet Smith's inquiry into Shipman and the report "Good doctors, safer patients" from the chief medical officer. Although the bulk of the legislation to implement the reforms will be effected through secondary legislation, the Bill will enact four key provisions.

Mr. Lansley: I am grateful to the Secretary of State for giving way again. He will know how frequently the hope has been expressed in the House that when we legislate to follow up Dame Janet Smith's recommendations we will do so not only in respect of health professional regulation, but in respect of coroners and death certification. It was clear in a debate in Westminster Hall back in July that it was the Government's intention and hope to do that, but there is no coroners Bill in this Session to accompany the Health and Social Care Bill. Why not?

Alan Johnson: That is a matter for the usual channels. I do believe that we listed that Bill, but whether we shall find time for it in this Session is as much to do with the Opposition as it is to do with us. If we get the Health and Social Care Bill through speedily, we shall have more time available.

The Bill will enact four key measures. The first is to ensure that all the professional regulatory bodies use the civil standard of proof, so that the General Medical Council, the General Optical Council and the Nursing and Midwifery Council operate to a method consistent with the other eight health profession regulators. The second measure is to create an independent adjudicator, initially to adjudicate on fitness to practise cases for doctors, to enhance public and professional confidence in the impartiality of the GMC's judgments. The third measure is to ensure that health care organisations employing or contracting with doctors appoint a responsible officer to identify and handle cases of poor professional performance by doctors, and to make recommendations to the GMC for revalidation. The fourth and final key measure is to pave the way for the creation of a new general pharmaceutical council.

The Bill will also make a number of other changes to arrangements relating to the composition of councils of the regulatory bodies, to the Council for Healthcare Regulatory Excellence and to the legislation currently governing the regulation of the social care work force.

Peter Bottomley (Worthing, West) (Con): Clearly the Committee, on which I do not expect to serve, would be the place to go into this point in great detail, but has the Secretary of State consulted the judges, who have laid down that if someone's job was at risk, the civil standard of proof would not be high enough? They have laid down that in some serious cases the criminal standard ought to be used.

Alan Johnson: I cannot say whether we have consulted the judges; all I can say is that eight of the current regulatory bodies operate in accordance with the procedure that I have set out. Our consultation suggested that there was wide-ranging support, including, incidentally, from the GMC—the recommendation stemmed from Dame Janet Smith's inquiry into Shipman—which believes that there should be a change from the criminal standard. The other argument, which is probably the clincher, is that if a case against an individual doctor was that serious, the criminal benchmark would apply. For all those reasons, the proposal has a widespread consensus behind it. I cannot say whether that consensus stretches right through the legal profession, but we have a strong enough argument to proceed on that basis.

Kelvin Hopkins *rose—*

Rob Marris *rose—*

David Taylor (North-West Leicestershire) (Lab/Co-op) *rose—*

Alan Johnson: Before I give way, I should like to record my appreciation of the thoughtful and constructive approach that the professional regulatory bodies have taken to the proposals.

Kelvin Hopkins: My right hon. Friend mentioned ensuring that we have a sufficiently skilled and qualified work force. However, there are fears that work force registration will not be sufficiently enforced and that some people might slip through the net, possibly creating two-tier provision. Will he assure us that everyone in the work force will be properly registered and properly qualified?

Alan Johnson: Up to a point, Lord Copper. Given the procedures that we have set out in the Bill and the arrangements that apply quite separately, it is difficult to envisage anything further that we could do to ensure that. However, we are always willing to accept ideas and suggestions as we take the Bill through Committee. The Bill will also introduce a number of public health measures.

David Taylor: I am grateful to my right hon. Friend for giving way, Mr. Deputy Speaker, and I shall seek to catch your eye later in the debate. Just moments ago, I tabled early-day motion 386, which calls for citizens councils—as recommended in the NHS plan 2000—to be involved with the regulation of health care professionals.

[David Taylor]

Does my right hon. Friend believe that the public, as patients, are sufficiently involved in the process of setting and reviewing the criteria for admission to the various professions and for continuing to practise in them? The evidence is that the public feel cut off from that process.

Alan Johnson: There are separate arrangements to ensure that the patient has a clear involvement. The other provision that arises from Dame Janet Smith's inquiry into Shipman is that there will no longer be a majority of professionals on these bodies; there will be equality for lay people. That offers an important reassurance.

Rob Marris: I thank my right hon. Friend for giving way with his usual smiling generosity. He referred a few moments ago to what might alliteratively be described as poor professional performance under this regulatory regime. Would that cover the surprising approach being taken by some GP practices, including some in my own constituency, and I believe by NHS Direct, of using 0845 numbers, which are a rip-off for the consumer—in this case, the patient? If this regulatory regime will not cover that practice, will he assure me that he will look into the matter? GPs are getting paid handsomely and properly by the state, yet some of them seem to wish to make extra money out of their patients' phone bills.

Alan Johnson: My hon. Friend has raised an important point, but this is not a matter for the Bill. I am already well aware of the practice that he mentions, however, and we issued guidance earlier this year to say that patients should pay no more than the cost of a local call. Indeed, we believe that to charge in the way that he has described breaches the terms of the GP contract. The matter does not need the weight of this legislation, or the time that it would take to pass the measures, to deal with it.

Angus Robertson (Moray) (SNP): The Secretary of State will be aware that many parts of the Bill will be subject to a legislative consent motion in the Scottish Parliament. Will he confirm my understanding that there has been excellent input by the Scottish Government and excellent consultation in Scotland on these measures? Is he content, as I am, that the provisions in the Bill are exactly what is needed?

Alan Johnson: I can confirm that there has been excellent co-operation, both before and after May 2007. That has really helped us to arrive at the provisions—particularly those on public health, which I shall come to in a second—that will ensure that the whole of the UK is well equipped.

The Bill introduces measures to help to prevent and control the spread of diseases that could present significant harm to human health caused by infection and contamination. The measures in the Bill will update the existing powers and provisions in the Public Health (Control of Diseases) Act 1984 relating to preventing and controlling disease. That legislation is clearly out of date. For instance, it allows us to regulate the risks from rag and bone men while remaining silent on the dangers of chemical and radioactive contamination.

The Bill seeks to bring our health protection into the 21st century by taking an all-hazards approach to health protection rather than by focusing only on specified diseases. That will allow a quick response to new or unknown diseases. I emphasise that the new legislation will be proportionate. We are updating the legislation to ensure that, while we have the powers needed to respond effectively to a public health threat, safeguards are written into the new legislation to ensure that the powers are used only when appropriate, and only to the extent necessary to secure the protection of public health.

The Bill will also support the health of pregnant women by introducing a new health in pregnancy grant. The grant will be a universal, one-off payment of £190, available to all expectant mothers ordinarily resident in the UK from the 25th week of their pregnancy. It will provide pregnant women with additional financial support towards meeting the costs of a healthy lifestyle, including diet, and other costs in the run-up to the birth.

There are also a number of small amendments in the Bill relating to the financial arrangements for pharmaceutical services; indemnity schemes in connection with the provision of health services; direct payments in lieu of provision of care services; repeal of the liable relatives rule; definition of ordinary residence as applied to the National Assistance Act 1948; payments to social enterprises; the creation of a national information governance board, ensuring that parents get automatic feedback about their child's health through the national weighing and measuring programmes; and the functions of the Health Protection Agency in relation to biological substances.

Mr. Gordon Prentice (Pendle) (Lab): May I ask about the Bill's implications for the health service ombudsman and whether an increase in the number of complaints is expected? If so, will the ombudsman be adequately resourced to handle them?

Alan Johnson: There may be an increase in the number of complaints, but the new commission will not deal with them; they will go through the usual channels. We will stay in touch with the ombudsman to see whether staffing is sufficient to ensure that they can cope with any increase in work. I am sure that all the miscellaneous items that I have mentioned will receive due attention during the Bill's passage through the House.

The Health and Social Care Bill will deliver a range of measures to assure the levels of quality and safe care that all patients and care service users have a right to expect. It will also introduce legislation that updates our current health protection powers to make them fit for purpose in the modern age and contribute to a healthier lifestyle for both expectant mothers and young children. I commend the Bill to the House.

4.56 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am grateful for the opportunity to speak on Second Reading. The Secretary of State says that the Bill is important. I do not dispute that it has important implications, but it seems that its importance was not such that the Prime Minister thought fit to refer to it at all at the start of the Gracious Speech debate. It is customary each year for at least one health Bills to be a

flagship Bill, as it were. Unfortunately, this year the health Bill is not so much a flagship as a fleet auxiliary—useful measures grouped together in much less visible form that never acquire the status of a flagship.

I am afraid that this Bill in no way represents the changes in overall regulation that are required. After the 2005 election, the Government believed that there should be a wider review of regulation. They commissioned a review by Lord Currie of Marylebone and others, but they then more or less ignored it. They proceeded to publish consultation documents—frankly, inadequate ones—about the regulatory review, which culminated much later than originally intended in the document to which the Secretary of State referred.

This Bill implements only one aspect of all that—the part that relates to the Healthcare Commission—but it is perfectly clear that it will not achieve the regulatory changes necessary to provide assurance in the longer term to those providing services to the NHS. If one believed in the long-term role of the independent sector, for example, in supporting the NHS, one would need not only powers of inspection for the commission, but an independent regulator to undertake economic regulation in respect of market entry or market exit. Since 2003, the Government have failed to introduce legislation for the failure regime or for the exercise of powers relating to competition and pricing. None of that is in the Bill: it is not the legislation that we really need to provide either autonomy or proper accountability.

We have made it clear that we will introduce the necessary legislation in this Session and we will endeavour to ensure that it complements the aspects of the Bill that we support. In the course of the Bill's passage, we can do certain things to make it more consistent with our long-term structure and vision for health care.

Before exploring some of the Government's proposals in more detail, let me isolate one point. What is lacking in the Bill—for example, in respect of the structure of the care quality commission—is any formal structure to give a voice to patients and the users of services. Members—particularly those who are present—will recall that when legislation was introduced during the last parliamentary Session to abolish patients forums and set up local involvement networks, we thought it important for patients to have the national voice that was missing from that legislation. The same applies to social care for care users and, indeed, carers. This Bill provides no such national voice. Although clause 2 enjoins the care quality commission to have regard to the views of patients, no structure is built into the Bill to make that happen.

The Secretary of State intends the care quality commission to bear comparison with other regulators, but such structures are explicitly incorporated in many other regulating bodies. The Office of Communications, for instance, has a consumer panel, set up under the statute that inaugurated it, whose purpose is to acquire patients' views. That is one of the reasons why, in the measures that we propose, we will make specific provision for HealthWatch—working alongside the Healthcare Commission, or the care quality commission, as it will become—to represent patients and express their views on the health service to the whole regulatory structure and the Secretary of State. The same could, of course, apply to those using social care.

Conservative Members will seek to amend this Bill to bring those principles into effect. Back in 2005, when Lord Currie of Marylebone presented his report to the then Secretary of State, he made it clear that such a national voice for patients was an essential part of a future structure.

The hon. Member for Wolverhampton, South-West (Rob Marris) kindly asked part of the question that I had intended to ask the Secretary of State. However, I recall from my membership of the Standing Committee considering what became the Health and Social Care (Community Health and Standards) Act 2003 that at that time we abolished the Commission for Health Improvement, which I think had been around for only about three years, in order to establish the Commission for Healthcare Audit and Inspection, now colloquially known as the Healthcare Commission. It does not seem as though any of those bodies had been entrenched for any length of time before being abolished, and the same is true of the Commission for Social Care Inspection. The National Care Standards Commission was abolished in the 2003 Act, CSCI was established, and no sooner is it up and running than we are to abolish it.

I would not wish the House to be in any sense misled. We believe that there has always been a strong case for those bodies to work side by side. We have always supported the proposition that we must try to break down the barriers between health and social care, and institutional divisions in the regulatory structure do not help that to happen. If we are to encourage, for example, the use of individual budgets and personalised care stretching across health and social care, it clearly makes sense for the regulatory bodies to work side by side.

On the commissioning side, the current position in Herefordshire, where the primary care trusts and the local authority have effectively merged their activities at executive level, suggests that a single organisation could be helpful. The relationship between Ofsted and CSCI in respect of children's services is a good example.

While I am happy with the principle that the two bodies should be merged, the central issue—as the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) rightly said and as the Secretary of State rightly accepted—is that when social care and health care are brought together there is a natural, or perhaps unnatural, tendency constantly to prioritise health care to the exclusion of social care, and to make mental health a Cinderella within health care. There is an inherent danger that bringing everything together under one regulator will cause both the functions currently performed by the Mental Health Act Commission and those performed by CSCI to attract less priority than the current functions of the Healthcare Commission. I have no doubt that the more often we say that during the passage of this Bill, and the more persistent we are in Committee about the nature of the duties—we shall have to spell that out clearly, as the duties are expressed only in the vaguest terms in current legislation—the more likely we will be to ensure that this body delivers what is intended. In my experience, the more independent a regulator needs to be, the more important it is that their duties, including the factors to which they must have regard, are spelled out in legislation; otherwise, that independence will be undermined—or if there is

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independence, the more likely it will be that the regulator behaves in ways that do not attract the support of the House.

Hilary Armstrong (North-West Durham) (Lab): Will the hon. Gentleman also reflect, however, on the fact that too often this House has added so many details to regulatory legislation that instead of regulators being able independently to work out the most effective form of regulation, processes have become bureaucratic and tedious and there has been a failure to achieve the overall objective? The House must give the powers to regulators so that they are able to use them effectively, rather than try to tie them down so much that they spend their time ticking boxes instead of understanding what is happening on the ground and ensuring that people can get hold of the information they need to know whether things are working or not.

Mr. Lansley: I am interested in what the right hon. Lady says because under other legislation enacted by this Government the view has been that it is rather important to set out those duties—in relation to an energy regulator, for example, that it is important to set out the duty on security of supply, the duty on promoting competition and the interests of consumers and the duty on the achievement of environmental objectives. I do not think it would have helped to have said, "We are setting up a regulator who has a duty for the improvement of energy services," which is more or less what is happening in the current context: a regulator is being set up with the duty to improve health and social care.

How is the regulator to define that? The answer, which is built into clause 2, is that it is to be defined by reference to the Secretary of State and Government policies. Clause 2(4) re-incorporates into legislation what is currently section 130 of the National Health Service Act 2006 in respect of the Healthcare Commission. *[Interruption.]* Yes, I am showing off now. That pretty much says that both the Healthcare Commission and CSCI have statutory provisions under which they must have regard to the policies of the Secretary of State. Therefore, when the Secretary of State says, "This body will be independent," we will take a very close look at what that means. Strictly speaking, "independence" should mean independently appointed, with independent duties established by Parliament, and with an ability to pursue the duties of, for example, safety, quality, efficiency and effectiveness to whatever conclusion. It should not mean having that compromised by the way in which the Secretary of State sets out his policies.

It is evident that much of the burdensome regulation that the Healthcare Commission has to undertake in relation to health care providers is the direct consequence of the way in which successive Secretaries of State have set out the targets that they want health care providers to meet. Therefore, the target culture is a direct precursor of the burden of regulation. It is more important for us to be focused on the delivery of the duties of quality, safety and efficiency instead of having that overridden by the Secretary of State. I am sorry that that has been such a long digression, but it has been a helpful one from my point of view, so I am grateful to the right hon. Lady.

It is important to pursue the question of risk-based regulation. Although the Secretary of State says that it will be risk based, I am unclear whether the Bill delivers that. It is certainly intended to be proportionate to the risk that is to be safeguarded, but it could easily be said that all health care providers—depending on what they do—have more or less the same kind of risks attached to what they do. We must look hard at this Bill to incorporate into it the principles of risk-based assessment and regulation, because they are not in it yet. I hope that as the Bill progresses we can ensure that the care quality commission has not only a specific role as a national voice for patients, but specific ways in which it takes into account the interests of patients, care service users and carers.

The Secretary of State talked about health care-associated infections. This feels a little like the groundhog day of health legislation, because it is almost exactly two years ago that I was standing here responding to the Secretary of State's predecessor, who was telling us that the 2006 legislation was the last word in regulation, and that the Healthcare Commission was to have these new powers. In fact, the commission can carry out unannounced inspections. At the time, the Government looked at and we discussed the question of fines. They concluded that the best thing to do was not to introduce them, and that it was better to have a process of improvement notices.

I do not know what evaluation has taken place. The code of practice set up under the 2006 legislation came into force on 1 October 2006. We are less than a year down the line of the introduction of that code of practice, and although I am not aware of how many inspections there have been, there were an initial 15 inspections for compliance with the code of practice. I do not know to what extent the Secretary of State regards this as a successful or a failed regime. One improvement notice has been served, against Chase Farm hospital, and we have yet to have others.

I simply do not know what the evidence base is for the Government's concluding that their policy failed and that they must have a new one. The cynics among us might suspect that in fact, from the Secretary of State's point of view, a new Secretary of State must equal a new policy, and a new policy must equal new activity. Perhaps when he asked the Department, "What is it that we have not done that we could do in respect of health care-associated infections?", he was simply served up something that his predecessor had rejected. That is often how these things happen, and I am afraid that this looks a lot like that.

I should be very disappointed if it were felt that this Bill or the role of the care quality commission itself was a sufficient response to the demands of tackling infection control. We debated this issue last week, so I will not travel down all the paths associated with it, but it is clear that on the Maidstone and Tunbridge Wells NHS Trust, for example, the Secretary of State is hiding behind the Healthcare Commission as though it were not an inspectorate coming in to establish to what extent a body is failing in its duty to provide care; instead, he seems to be regarding it as a performance management organisation. However, it is not; as things stand, it is the strategic health authority's responsibility to manage the performance of the Maidstone and Tunbridge Wells trust, and the Department of Health has line management responsibility for the performance

of the SHA. However, given the events surrounding the trust, it looks to me as though performance management was ignored.

The Secretary of State talked about world-class commissioning. However, the primary care trust clearly subcontracted its responsibility for infection control and quality to the health protection unit. Effectively, the PCT played no role in determining the quality of the services being provided to patients at Maidstone and Tunbridge Wells. Likewise, the SHA subcontracted its responsibility to the health protection unit, which did not get involved until an outbreak had been notified. Even then, it did not have the necessary powers. So the Secretary of State needs to think hard, and we should think hard, not only about how we strengthen the role of an inspectorate in assessing from the outside where things are going wrong, but about ensuring that performance management works more effectively inside the national health service, because at the moment, it clearly does not.

Rob Marris: I take the hon. Gentleman's point, but may I also suggest that he think hard, as many of us do, about trying to strike the right balance between decentralisation and local control, and national priorities for a national health service? Both our parties struggle with that.

An example of that balance can be seen with hospital-acquired infections. If asked, people say that they want local control of their health facilities. They say that until something goes wrong or until they perceive a disparity of provision, which is sometimes called a postcode lottery. They then say, "We are worse off than the people next door" and they ask why somebody, usually Whitehall or the Government, does not sort it out. Hard thinking is required to strike that balance, and the Conservative party needs to do some of that.

Mr. Lansley: We have done quite a lot of hard thinking about this matter. I do not know whether the hon. Gentleman has had occasion to read the autonomy and accountability white paper that we published in May, but it expressly addresses these issues. For example, it makes it clear that the independent allocation of resources to try to achieve greater equivalence in access to health care across the country relative to the burden of disease is important. Figures that I published yesterday demonstrating the wide disparities across the country in expenditure per cancer patient are largely associated with that. Even if one were to equalise the allocation of resources relative to the burden of disease, it would not mean that the same amount would be spent, because different parts of the country would have different priorities. I do not believe that we could ever reach the point where the centre could mandate how much is spent, but a nationally funded national health service should have a national allocation system that is at least geared towards providing equivalent access to health care services for people in the same circumstances.

We can also be clear that commissioning guidelines and standards can be established nationally, which is why the Bill reproduces existing legislation. Standards should be set nationally, and the care quality commission, whose task is to assess performance against those standards and provide information on that, should be in place. I do not know what the Government's view is for the future, but I think that the role of patient choice and decentralised commissioning then becomes all the more effective, because performance against those national standards can be taken into account and can help to drive the local response in terms of what is being delivered. That is our view, but heaven only knows where the Government stand on patient choice.

Rob Marris: I thank the hon. Gentleman for that thoughtful response. I have not read every word of that shadow white paper, and he will correct me if I am wrong about this next point. I recall that after its publication in May the Conservative party proposed a policy of increased localism—I use that term in a broad sense—and at the same time called for a national moratorium on any proposals to close an accident and emergency hospital unit in England. That gets the balance a bit wrong; I am not saying that the Government necessarily have that balance right, but that is why I was politely suggesting that he should think a little harder about this balance between localism and centralism.

Mr. Lansley: The hon. Gentleman is, in a sense, misdirecting himself, because a moratorium is just that—it stops a process that is under way.

Rob Marris: It is a local process.

Mr. Lansley: No, it is not a local process. This is why the hon. Gentleman is misdirecting himself. Our proposal to impose a moratorium on what is happening is us saying that we will not countenance—or would not have countenanced had we taken office following an election—a process whereby national clinical directors and Ministers in the Department of Health wander around telling people what they should be doing. They should be going to places such as the constituency of my hon. Friend the Member for Worthing, West (Peter Bottomley), where the national clinical director is saying to people that there has to be a drainage population of 400,000 plus in order to provide an accident and emergency service. That is clearly not justified by the evidence. Subsequent material, such as the report published by the Academy of Medical Royal Colleges, makes it perfectly clear that accident and emergency departments serving smaller populations are entirely viable.

What I am saying is entirely consistent, because I believe that the clinical evidence and the decision making should combine locally. The clinical evidence will not all be derived locally, and indeed much of it will be prepared by the professions nationally, but it has to be interpreted into local circumstances and be the product of local decisions. Under this Government, it is not the product of local decisions but of national influence and determinations from the centre.

Peter Bottomley: I am grateful for my hon. Friend's reference to the situation at Worthing and Southlands hospital. I think that the primary care trust will now have another serious look at the issue, and I am grateful to the Secretary of State if he was quietly involved in that, as I suspect he was. I put it to my hon. Friend that it is wrong for national standards to come

[Peter Bottomley]

from papers written by tsars that are not peer-reviewed, contain no evidence and are, in effect, a series of anecdotes.

Mr. Lansley: I agree, and that is at the heart of the issue that we have presented. It is unacceptable for local managers to receive documents from the Department of Health that are not evidence-based or peer-reviewed, and are inconsistent with the professions' collective view. Such documents are presented as though they are clinically driven and have to be translated locally, just because they are written by someone who happens to work in the Department. That is not acceptable.

Alan Johnson: I would be interested to know exactly which part of Roger Boyle's document the hon. Gentleman disagrees with.

Mr. Lansley: I was talking about accident and emergency departments, so I meant George Alberti's document. However, the same point can be made about Roger Boyle's document. He presented an argument about the need to centralise stroke services, but—as the Secretary of State knows—there is no model for doing so. There is no basis for knowing what the necessary catchment population should be, for either acute care of stroke or the concentration of services for primary angioplasty. The pilot studies on primary angioplasty have not reported, been peer reviewed or provided evidence. But Roger Boyle produces his document, and the Prime Minister and others stand at the Dispatch Box and say that services must be centralised on that basis. That is why we propose a moratorium: so that such issues—the design of stroke services or cardiac interventions based on evidence—can be structured locally on the basis of evidence, rather than assertions from the Department of Health.

I shall now return to the subject of the Bill, Mr. Deputy Speaker. The House will recall the passage of the Mental Health Act 2007, and it is extraordinarily important that the introduction of community treatment orders—and the extent of compulsion under them—is the subject of independent scrutiny. That will be the role of the Mental Health Act Commission, and I hope that it will be made clear during the passage of this Bill that that should happen.

When the Minister of State winds up, I hope that he will tell us when we may expect the proposed section 60 order on the governance of the General Medical Council, because it would be helpful to consider that alongside the broader proposals to shift towards parity in lay and professional participation. The Secretary of State will know that we have accepted some of the principles. We accept the principle of parity, but we do so in the context of helping to support confidence in professional self-regulation, not helping to undermine it. I hope that during the passage of the Bill we will explore carefully the proper role of the office of the health professions adjudicator and why it has to be operated independently from the GMC. If we believe in professional self-regulation, we should be able to structure the regulation in a way that keeps the functions of investigation and adjudication within one body, even if they are functionally separate.

The Department appears to assume that responsible officers will be in place in April 2009, but that is a heroic assumption. For a start, I am not sure that it is right to assume that in most cases the medical directors of primary care trusts should be the responsible officers.

Rob Marris: Eighteen months?

Mr. Lansley: I believe so. I understand that the date is April 2009, but if I am wrong the Minister will let us know. I think the time scale is too rapid—it is a heroic assumption.

Should a responsible officer combine clinical governance responsibility with the assumption of part of the management responsibility? Let us consider that point in the context of primary care. If GPs as contracting providers have a developing relationship with the primary care trust, is it necessarily right that the responsible officer as a member of the PCT board should also have responsibility for their clinical governance arrangements? I have no doubt that clinical governance should be improved and strengthened, even more so in primary care than in secondary care, but we must do that in a way that commands the greatest possible confidence among the professions. It is important that clinical governance be conducted by somebody who has only that responsibility, with no risk of conflict of interest with other responsibilities.

I repeat my question about the scrutiny process of the professional practice of doctors. On the one hand a revalidation structure is being set up; on the other, where there is the possibility of serious failings there are fitness to practise investigations and, in the middle, there is the question of what happens when someone has difficulties in their professional practice that are not such as would give rise to an investigation by the GMC. Such cases are pursued by the National Clinical Assessment Authority, alongside the National Patient Safety Agency. I have never understood why. If there is a spectrum of issues relating to professional practice, from making sure that people are up to date to the correction of serious problems, one body should be responsible for all of them.

On standard of proof, the Opposition Front-Bench team have made it clear that we accept in principle that we should move from a criminal to a civil standard. The medical profession is concerned that the loss of livelihood of its members would be accomplished on the basis of a more-likely-than-not calculation and, it would argue, on evidence that might not substantiate the loss of livelihood and its resulting impact on the individual. I do not think the profession is right about that; it is important to recognise that in practice a graduated scale is applied by tribunals, and courts, even with a civil standard of proof, which relates the nature of the evidential test—the quality of the evidence provided—to the penalty that would eventuate from the conclusion that somebody was guilty of an offence.

We need to make it clear in the legislation that that is the case, to try to set minds at rest, and that it is true, as my hon. Friend the Member for Worthing, West in effect said in his intervention on the Secretary of State, that when a court is presented with the proposition that somebody will lose their livelihood—which is very significant for doctors, as they may not easily be able to

pursue another career—there must be almost a criminal standard of proof before that result is achieved. I think that that is pretty much what the court was saying—so there is a precedent for saying that the civil standard of proof must be applied in a way that is sensitive to the nature of both the allegations and the evidence. As we incorporate that provision in the statute, we must attempt to give the medical profession that assurance.

Dr. Howard Stoate (Dartford) (Lab): The hon. Gentleman is making a balanced argument, but if we use the civil standard of proof how will he ensure that we word legislation that allows us to slide up the scale towards the criminal standard for some offences and not for others? How can we make that clear without it leading to more and more legislation as people take tribunals or the GMC to court because they did not get the answer they wanted?

Mr. Lansley: The hon. Gentleman's expertise is medical, not legal, but those who write the legislation will have to try to ensure that the guidelines are at least very clear. We will have to see to what extent they can be incorporated directly into the primary legislation and in the schedules to it, but I am sure that the House will have noted his declaration of interest in these matters—or not.

I will not delay the House on the part of the Bill dealing with public health. On the face of it, the updating is pretty straightforward. The powers requiring people to be quarantined or to submit to medical examination if they are infectious have been extended quite a long way, so we need to ensure that the safeguards exist. I have no doubt that there should be such powers but, taking the wider view, I just wish that we also had public health legislation that helped to achieve the things that we have proposed to create a much stronger separately funded public health service that works with local authorities to deliver better on our public health objectives.

The Secretary of State will know that only a third of the dedicated public budget of £300 million that the Government have allocated since the White Paper "Choosing Health: Making healthy choices easier" has been spent on public health objectives. He will also recall that Ara Darzi's document on "A Framework for Action" in London expressly sets out the fact that primary care trusts spend on public health in inverse relation to their deprivation. For example, Tower Hamlets, which is one of the most deprived areas in London, spends £6 a year on preventive health spending.

Rob Marris: Per capita.

Mr. Lansley: I beg the hon. Gentleman's pardon. Tower Hamlets spends £6 per head, whereas the Bromley primary care trust, which is not among the most deprived, spends £33 per head per year on its preventive spend. Frankly, that is an outrage.

The Secretary of State did not dwell at length on the issue of health in pregnancy. My hon. Friend the Member for Eddisbury (Mr. O'Brien) has reminded me that I am taking up some time, but I will talk about more things than the Secretary of State mentioned; we need to mention some things that he did not. The health in pregnancy grant was announced in the 2006 pre-Budget report as something that would merely bring forward child benefit payments to pregnancy, but it now has a slightly different character. It is not designed in precisely the same way.

I have two questions about the grant. Is it to be administered entirely by Her Majesty's Revenue and Customs and will it be paid for by the Treasury directly? I will not dwell on HMRC's administrative potential and the nature of the data that will have to be supplied, when they will be supplied, by whom they will be supplied and to whom HMRC may supply them. The House needs an answer because there is no impact assessment to tell us not only what the overall costs will be but who will pay the cost of implementation of £8.4 million in the next financial year.

The Secretary of State seems to think that the health in pregnancy grant is the best way of spending the relatively large sum of £175 million a year to support nutrition in pregnancy. May I direct him to the draft guidance from the National Institute for Health and Clinical Excellence that was published just a couple of months ago? Paragraph 3.5 says:

> "Interventions which ensure that a woman is nutritionally equipped for pregnancy are likely to have the greatest effect if delivered before conception and during the first 12 weeks".

Later the guidance considers the gaps in the evidence and says:

> "There is a lack of well-designed interventions on how to...improve the nutritional status of women before and during pregnancy".

It adds:

> "There is a lack of well-designed studies that have evaluated the use of food vouchers to encourage health eating."

Let us leave aside the simple fact that the grant may be spent by pregnant women on things other than what is necessary for their diet. The guidance also gives rise to the question as to whether this is a well-calculated and evidence-based intervention even in terms of improving diet.

That brings us to question of weighing and measuring children. It has always been our argument that not only should children be weighed and measured, but there should be an effective follow-up. I see nothing yet in the Bill—perhaps the Secretary of State will add more in terms of policy—about an adequate follow-up. The report from the National Institute for Health and Clinical Excellence clearly shows that universal interventions by midwives, health visitors and school nurses are critical. However, what is the actual situation? Let us consider health visitors. In 2004 there were 10,137 full-time equivalent health visitors. By 2006, that figure had reduced to 9,376. It is clearly not possible for us to deliver the kind of improvements in childhood obesity that we want to see, when the number of health visitors is declining.

Let us consider what the Government have said about school nurses. The then Minister of State said in March 2006:

> "Because we know school nurses make such a difference, we want at least one, full-time qualified nurse working with every cluster of primary schools and their related secondary school by 2010."

There are 3,343 secondary schools in England. According to the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw) on 23 October this year, there were 815 full-time equivalent nurses with the

[Mr. Lansley]

appropriate nursing qualification working in England. So we are nearly 2,500 short of what is required by—*[Interruption.]* The hon. Member for Wolverhampton, South-West says from a sedentary position, "Cluster." There are 3,343 secondary schools. The policy is for one full-time qualified school nurse per secondary school and its cluster of primary schools. I am using the number of secondary schools, so the comparison is entirely valid.

On the social enterprise investment fund, I welcome what the Government are proposing, and the benefit of that. We already know the potential impact of social enterprise in the health care sphere, if only by reference to what hospices do for palliative and end-of-life care. In that context, it is astonishing that the Government are going down this path without at least ensuring that they have provided, through the publication of the end-of-life care strategy and the development of the tariff for palliative care, a full cost-recovery structure for hospices, if they wish to take it up, for the delivery of end-of-life and palliative services. Hospices are social enterprises that do a remarkable amount, and they should at least have the option—even if they are not required to do this—of providing services to the NHS in a fully supported way.

The Government propose, under clause 134, to extend direct payments. We have always welcomed that. Some Members will recall that when the "Our health, our care, our say" White Paper was published on 30 January 2006—excuse me, Mr. Deputy Speaker, but I am going to quote myself—I said:

"Will the Government legislate to allow direct payments to extend across health and social care, so that patients with long-term conditions can control the management of their care?"

The then Secretary of State replied:

"The hon. Gentleman...mentioned the extension of direct payments, not only to social care but to health. That sounds like the revival of the patient's passport."—[*Official Report*, 30 January 2006; Vol. 442, c. 26-29.]

In the White Paper, the Government said:

"It has been suggested that we should extend the principle of individual budgets and direct payments to the NHS. We do not propose to do so, since we believe this would compromise the founding principle of the NHS that care should be free at the point of need."

I did not agree with them then and I do not agree with them now. Interestingly, Lord Darzi said in his interim report:

"we need to learn how to support and allow eligible service users increasingly to design their own tailored care and support packages. This could include personal budgets that include NHS resources."

The Government have done a complete U-turn. Will they say today that they will incorporate in the Bill the necessary provisions to allow individual budgets and direct payments to extend across health and social care, in the way that Lord Darzi has made clear he now supports?

Finally, on the pharmacy contract, there is a proposal to transfer the global sum into the hands of primary care trusts. Will the Secretary of State—or the Minister of State, when he replies to the debate—acknowledge that thus far there has been a pitiful take-up of most of the advance services that would have delivered precisely what the Prime Minister, when he became Prime Minister, said that he wanted—pharmacies that offer more screening, more lifestyle support and more opportunities for people to access sources of advice and information about their health?

That is not happening under the current pharmacy contract. It needs to be transferred from the Government to the primary care trusts, and the Government should make sure that there are sufficient incentives for the pharmacy contract to do what was intended, as distinct from pharmacies getting a global sum as a consequence of the manipulation of category M list prices.

This is a portmanteau Bill. The Secretary of State has arrived with his bag full of lots of tricks, most of which have been in gestation in the Department since long before he arrived there. None the less, some of them will be useful. Many of them will require scrutiny during the passage of the Bill, but none of them, as put forward by the Government, constitute the long-term sustainable vision of how health and social care can be regulated in a way that will deliver the improvements in standards that we all so long for.

5.40 pm

Mr. Kevin Barron (Rother Valley) (Lab): I declare an interest. In 1999 I was appointed, along with two other Members of the House, to the doctors' regulatory body, the General Medical Council, and in 2003 I was reappointed to the new council by the National Health Service Appointments Commission, and I still sit on that body.

I am pleased that the Bill is before the House and that we are considering the introduction of a care quality commission, which will have tough powers to deal with the safety and quality of care. We have just heard the hon. Member for South Cambridgeshire (Mr. Lansley) speaking from the Opposition Front Bench about how important performance management is in the national health service. I agree with him about that. It is difficult to grasp who is responsible for what. Over time, a regulator that deals with the quality of care could answer many questions about the differences in treatment that patients—our constituents—sometimes experience between one establishment and another.

Also, bringing together the regulation of health, adult social care and mental health care should ensure a more consistent approach to regulation. The regulation of social care will represent a large part of the work of the new regulatory body. Hopefully, it will implement our manifesto commitment to strengthen clinical governance and the regulation of health care professionals.

During the last general election when I was a candidate and not a Member of the House, I spent an evening in Tameside talking to a group of people who were relatives of the victims of Dr. Harold Shipman. After talking to them for two or three hours, the need for a change in regulation was all too apparent. Because of the dreadful consequences that their families had faced, those people knew more about regulation than many health professionals or Members of the House. Health and social care professionals should be more accountable to the public as well. I hope that that is implicit in the aims of the Bill.

The merger of relatively new regulatory bodies will have to be handled carefully. There is always a danger of losing effectiveness when change takes place, as people are left wondering whether their position will

exist in a few months. The Select Committee on Health, on which I sit, has often found that change tends to take people's mind off what they should be doing. Care must be taken that that does not happen when the merger proposals in the Bill are implemented.

Having been on the General Medical Council for many years, I have more than an outside interest in these matters. I am interested in the doctors' approach to the Bill. The British Medical Association is moving a little closer to where it should be as the representative of the vast majority of doctors. The tone of its press releases a few months ago, one of which was headed "Doctors' leader warns of 'assault' on the medical profession", has changed. I am pleased that it has, because I do not think that there is an assault on the professionals at all. I frequently meet doctors up and down the land who do not feel that what is happening is an assault on the profession.

Dr. Stoate: I am sure that some members of the medical profession would, rightly or wrongly, feel threatened by a change in the burden of proof from the criminal to the civil standard. We need a supportive culture that emphasises the education and retraining of doctors who have difficulties and encourages doctors to speak out about problems that they see for themselves and others. If we are to produce that supportive culture, which in the end would lead to better patient care, we have to make sure that doctors do not feel threatened.

Mr. Barron: I agree entirely; my hon. Friend is a practising doctor and knows such things better than I. However, what I mentioned has been the case for all the years that I have been on the General Medical Council—and probably since the council was first brought into being. Sadly, that does not mean that it is the actual practice on many occasions. That is why some of the detail in the Bill is important.

Let me cite two things that the BMA said in its brief for this debate:

"The BMA also has concerns about the removal of the adjudication function from the General Medical Council...and therefore the creation of a separate body, the Office of the Health Professions Adjudicator. We are also very worried about the role of the proposed 'responsible officers' because we see them as having a conflict of interest between their various roles."

It also says:

"The BMA strongly opposes Clause 104 which imposes a requirement for all the health professional regulatory bodies and the new Office of the Health Professions Adjudicator to use the civil standard of proof (the balance of probabilities)"—

that has just been alluded to—

"in fitness to practise cases. The General Medical Council currently uses the criminal standard (beyond reasonable doubt). It would be an injustice to remove a doctor's livelihood based on a lower standard of proof than is used currently."

I can only say that I think that the BMA is wrong. Having discussed the issue with numerous doctors, I also think that many doctors think so too. However, one thing in the brief that I agree with—I want to put it on the record as well, and I hope that the whole House agrees with it—comes on page 1:

"The vast majority of doctors perform well and safely, and acknowledge that it is imperative that patients are protected from the small number of cases of unsafe doctors. The BMA therefore fully supports measures that promote excellence in medical practice and that help to reduce instances of poor standards, negligence or criminality among doctors."

I agree wholeheartedly with the first part of that: the vast majority of doctors do look after us as we would expect, and we should have confidence in them.

Peter Bottomley: May I use this question to prompt the Minister later, although that may require a bit of work? Does the right hon. Member for Rother Valley (Mr. Barron), the Chairman of the Health Committee, agree that the civil standard in professional cases rises up towards the criminal level? There are not two totally separate standards. We could get advice on this, but I do not think that the BMA need be too worried if the current acceptance of what the judge has laid down for civil standards does indeed rise if a doctor's ability to go on practising is at stake.

Mr. Barron: That is absolutely true. I have the evidence that the General Medical Council received on that matter. There were two clear cases in which the civil standard was increased on that basis. In one, the allegations were made under the civil process, but they were serious allegations that needed serious action. I shall allude to that issue further in a few minutes.

What is taking place is not new in respect of quitea lot of the regulation of doctors, of which I have experience. In 2006, the GMC published a package of proposals designed to deliver a modern framework of independent and accountable medical regulation,and the Government's White Paper, "Trust, Assurance, Safety: The Regulation of Health Professions in the 21st Century", reflected a lot of the GMC's own paper. The GMC is confident that its current arrangements for adjudication lead to consistent and high-quality decisions. The hon. Member for South Cambridgeshire referred to separate adjudication and said that the BMA might have concerns in that regard. As things stand, the GMC would not disagree with that. It has changed its adjudication panels massively since I first became a member in 1999. I was involved in the changes in governance between 1999 and 2003 that made adjudication as independent from the statutory body as it could be.

The BMA's parliamentary briefing says on page 3:

"The BMA does not believe the case has been made for establishing a separate body and does not accept that the medical profession should lose the authority to regulate itself."

It is fundamentally wrong for the BMA to use words like that. In my experience of the GMC, it has not been a case of doctors protecting doctors—far from it. In the years prior to 2003 when I sat on fitness to practise panels, there was never a case of lay members versus doctors in terms of wanting to come to a decision on a doctor. Such words do not do the profession any good. Sadly, some people still think, wrongly, that it is about doctors protecting doctors—no wonder, when one sees such words in briefings given to Members of this House for the purposes of a debate.

The GMC has accepted the Government's decision to establish an independent adjudication body and will use its expertise to help to ensure the smooth transition from where we are now. When we changed the GMC's governance in 2003, the one thing that we could not do was to appeal against any decisions by the adjudication panels, because we had made them independent. I remember going to meetings of the adjudication panels

[Mr. Barron]

as a lay member, trying to talk the case through with them, and then saying, in a nice way, "We think you got that decision wrong." At least the GMC will now be able to appeal against decisions of the adjudication panels. The GMC is pleased that the Government have accepted its view that it should have the right of appeal, have made it clear that the GMC remains the owner of professional standards, and are protecting in legislation the relationship between the new body and the GMC in the application of the principles of good medical practice. Good medical practice is what the GMC judges all its doctors against, and the fact that it remains in statute is a very good thing.

The GMC believes that patients' best interests are best served by independent and accountable regulation. The GMC must be independent of Government as the dominant provider of health care in the UK, independent of domination by any single group, and publicly accountable to Parliament. In response to the hon. Member for South Cambridgeshire, who said that a draft section 60 order is likely to be published at some stage, it was published today, and it looks into some of the areas that he mentioned. The GMC's current model of governance is that there should be parity between medical and lay members without an in-built majority on the council for either. We should aim for an equal proportion of medical and lay council members—a 50:50 split—on the new council that will emerge from the section 60 order.

I remember when we moved from a GMC of 124 members, which was by and large dysfunctional—it was a bit like being in Parliament except that Division bells did not ring so we never took a decision on anything; at least that happens here, as dysfunctional a body as we may or may not be—to a membership of 35. A 50:50 split is right and proper. We will see how that will work in the next few days in the details of the section 60 order. The GMC should also have a balanced composition that reflects those who receive and provide health care across the UK—patients and the public, doctors, the NHS and other health care providers, medical schools and medical royal colleges. That is crucial. If it cannot be done numerically, it can be done by ensuring that people on the council have the breadth of experience to play a useful role.

The civil standard of proof will apply in any case without the Bill. The GMC decided that quite a long time ago, upsetting the profession well before Ministers did so by publishing the Bill. That mode of travel was suggested by Dame Janet Smith, and it will apply whether we change regulation procedures or not. I will loan my hon. Friend the Member for Dartford (Dr. Stoate) my legal opinion on that and he can read it for himself. The GMC's president, Sir Graeme Catto, is on record as saying that he does not believe that the change will result in more doctors being erased from the register, but it should make it easier to impose appropriate restrictions on a doctor's practice where that is necessary to protect patients. Removing a doctor from the register is a very serious matter, and where the consequences are loss of livelihood, the rigour of the criminal standard of proof, or a standard close to it, is clearly appropriate. On the other hand, the consequences of sanctions other than erasure may be less profound, and that could be taken into account in the evidence required to reach a finding on the civil standard of proof. That approach is wholly consistent with protecting patients and the public interest, and with being fair to doctors.

The GMC's legal advice makes it clear that the civil standard of proof is not a rigid criterion by which facts are to be judged, but is to be tailored to the facts of any given case. It is often said that the more serious the facts alleged, the more cogent and compelling will be the evidence required. The application of the civil standard of proof more accurately reflects the true function of the GMC fitness to practise panel. Having had years of sitting on those panels, I completely agree. We would never go for the more serious actions against a doctor without good cause or consider one standard and one only. The panel is not a criminal court and it does not apply the criminal law. In particular, it is questionable whether it is appropriate to retain the criminal standard of proof in a protective rather than criminal jurisdiction, especially when the concerns relate to a doctor's health or performance. That is crucial. The process is there to help the doctor, but often it is too far down the line.

Sandra Gidley (Romsey) (LD): Does the right hon. Gentleman agree that the recent section 60 order provides a lot more flexibility to look at cases where a doctor may have had an ill-health problem, and that whereas previously the only option in such cases had been to strike them off, a more sympathetic approach can now be taken?

Mr. Barron: It has always been the case that the GMC has tried to consider health and performance issues differently, but they may become relevant when the case is presented. When adjudication goes to the new body, recognising issues to do with doctors' health and performance will be as important as the question of what might have happened, although I accept that that depends on the seriousness of the incident.

The great majority of professional tribunals in various walks of life apply the civil standard of proof; and it is already used by the majority of other health care regulators. During recent consultation—I say this to my hon. Friend the Member for Dartford—several other regulators that apply it confirmed that it did not present them with any undue difficulty. In those circumstances, there should no grounds for the fear put about by representative bodies. The Court of Appeal recently explained that the use of the criminal standard of proof in areas other than the criminal law is very much the exception. The GMC is committed to ensuring that procedures are fair, objective, transparent and free from unfair discrimination, and that they command the confidence and support of all those who receive and provide health care throughout the UK. I believe that the application of the civil standard of proof is consistent with the protection of patients and the public interest, and it is fair to doctors at the same time. I am pleased that such a process will take place.

I would like to move on to the issue of responsible officers, which was mentioned by the BMA and in the speech of the hon. Member for South Cambridgeshire. There is a need for greater coherence and co-ordination across all levels of medical regulation, particularly

locally. Heath care providers have a clear responsibility for effective clinical governance arrangements that ensure that the fitness for purpose of those whom they employ, or contract to provide services, is good. They also must be effective channels of communication between national and local systems, which includes ensuring clarity with regard to matters that need to be addressed locally, and those that should be dealt with by the national regulator.

While with the GMC, I sat a lot on the interim orders committee before 2003. It would consider a lot of cases without taking final decisions on them. There were cases—not very often—that quite clearly should have been dealt with at a local level; doctors did not need that stress in their lives, or the threat of having to go in front of their regulatory body. Quite often, an exchange of letters was enough to deal with such cases. That raises the question why such cases progressed to the regulatory body in London when most people thought that they could have been handled at a local level.

The establishment of responsible officers means that for the first time there will be a nominated individual at a local level with a statutory responsibility for fitness to practise matters. Based on my experience, that is a good thing not just for the profession, but for our constituents and for patients. It will build up a confidence that is sadly sometimes not there. The role of responsible officers includes monitoring the conduct and performance of doctors, ensuring that appropriate action is taken in response to concerns about conduct and performance and evaluating the fitness to practise of medical practitioners. That role is clearly, therefore, linked to revalidation.

Revalidation was promoted by the GMC for many years, sometimes with the support of the profession, sometimes not so much. We need to ensure that doctors working in our health care system are up to date. To be on the register, all they need to do is go through medical school, get on the register, get their number, go into work, and—provided that they do nothing wrong for the next 30 years—they can retire on an NHS pension. Even if they are independent contractors, like my hon. Friend the Member for Dartford, they can retire on an NHS pension, provided that they do nothing wrong. There is no measure to ensure that doctors keep up to speed with new medical practice or to ensure that they are using better services for patients to give them better quality of care than they would have received in years gone by. Having an in situ responsible officer overseeing revalidation, which will come in separately to the Bill or regulations—

Dr. Stoate: For the record, we have had reappraisal in general practice for some time and hospital doctors certainly undergo extensive revalidation in order to meet clinical governance regulations. I would not want the House to think that there is no onus on doctors to remain up to date.

Mr. Barron: That is true, but it depends on who is doing the appraisal. I am not sure whether it would be right for someone who works alongside a person to do their appraisal.

I shall finish on this note, given that my hon. Friend tempts me. I represent a constituency that is covered by the Rotherham district general hospital, which was visited by the famous Gerry Robinson and a BBC crew earlier this year. That was on national television, and my hon. Friend may recall two consultants in the ophthalmic department. One of them would do cataracts only under a general anaesthetic and the other one would do them only under a local anaesthetic. The latter consultant would normally do about six or seven in any one session, and the other would do only three. It is true to say that to some extent the royal colleges might defend that, although the risk of using general anaesthetic is greater than that of using local anaesthetic, but that consultant did not use it because he would not. I thought that that was wholly wrong, and I am pleased to say that he is about to begin a long and happy retirement from the NHS.

Everyone is obliged to keep up to speed with what is happening in their profession, and Members of this House, of all parties, do so all the time. I do not put in my manifesto what I put in it when I stood for election in 1983. I do not say things in this House that I used to say in 1983 either. We all have a duty to ensure that we keep up to speed in many areas, and the medical profession should have as well. I am pleased to have had the opportunity to relate some of my experience, and explain what the GMC feels about some areas of the Bill. It is a great opportunity for us to advance health care in this country, and have health care that looks after patients, the public interest and doctors as well. I am pleased to support the Bill.

6.6 pm

Sandra Gidley (Romsey) (LD): We welcome the broad aims of the Bill, but as always, the devil will be in the detail when we get to Committee. The thought has already been expressed that it is bit of a shame that we are faced with yet another reorganisation. The Healthcare Commission is fairly new, as is the Commission for Social Care Inspection. It would have made more sense to have brought them together three years ago, as the Liberal Democrats suggested at that time. All parties favour a more joined-up approach, but we have to guard against a one-size-fits-all mentality. When we are talking about regulation, we need to remember that what a large acute hospital requires is very different from what might be required when regulating a small domiciliary care agency. Both are important in their own way, but they require different approaches.

It is also worth putting it on record that the existing regulators have done some excellent work in their differing fields. Concerns have already been expressed that the new body should retain a strong focus on social care. There are fears of health domination. I do not know how well founded those fears are, but health issues are much more high profile in the media agenda and sometimes in this place, so we must do all we can to ensure that social care does not become the poor relation.

The CSCI has expressed concern that any additional duties for the care quality commission should be adequately and separately funded, such as any duties that might stem from the current focus on hospital-acquired infections, which are also covered in the Bill. Otherwise, it is feared that resources could be squeezed from social care to fund that health agenda. Although

[Sandra Gidley]

we all support money being spent on ensuring that our hospitals are clean and safe, that must not come at the expense of the vulnerable and elderly.

The CSCI has been fully committed to paying great attention to the views of those who are—I hate the phrase—service users, and their families and carers. It is essential that we retain that process at all costs. Indeed, the Healthcare Commission has been moving in that direction latterly, but there is little in the Bill to provide assurances that the patient's voice, or even that of the carer, will be heard. We can learn a lot from those experiences.

The Mental Health Act Commission provides for regular unannounced visits to those detained under the Mental Health Act 2007. The frequency of those visits needs to be protected, because it is a crucial tool in ensuring that the rights of the 45,000 people detained each year are protected. Can the Minister confirm what measures will be put in place to ensure that those standards are not eroded?

It is not clear how the funding will work out, which is causing some concern. The regulatory impact assessment discussed a number of different models, but a wide range of possible costs and savings would apply. We need to be clearer about the detail as we approach the Committee stage. The Royal College of Psychiatrists has raised concerns about some services being squeezed and about whether some of the monitoring and notification work that it undertakes will continue in its present form.

It would be helpful if the CQC could continue the work of the MHAC in reporting admissions, discharges, deaths and other relevant information on behalf of detained patients. Many organisations suggest a rights-based approach and hint that the Bill has missed a bit of a trick. Clause 44 is welcome, in as much as it gives the CQC the facility to conduct special reviews and investigations into health and social care of a certain type or as provided for certain groups. It is important to consider those with learning disabilities, particularly given the recent example of the Cornwall Partnership NHS Trust. Over the years, concerns were raised by families and carers, and if the CSCI's approach had been taken, those views would perhaps have been taken more seriously earlier. Only when a joint investigation was undertaken by the Healthcare Commission and the CSCI were 64 cases of abuse uncovered that had happened over the past five years. We must remember the background: the trust was given a high star rating while people in its care were abused. We need to ensure through the fine detail of the Bill that such an incident will not happen again. A facility to consider how an organisation treated a group of people with a disability or whether people with a mental health problem were being treated differently would have been welcome.

The Bill provides us with an opportunity to close the human rights loophole. Nine out of 10 care homes are privately owned or in the charitable sector, and so human rights legislation does not extend to them. Attempts were made during the passage of the Equality Act 2006 to try to introduce some legislation on that matter, but the Government resisted. I hope that they will be more sympathetically disposed on this occasion. Residents of independently run care homes who experience rights abuses cannot challenge their care home provider.

One example of bad treatment that breaches human rights is that of older people in care homes who are told that they have to move to a different home at short notice, which engages article 8 of the European convention on human rights. Other examples often include disputes about care home visitor hours, restrictions on social relationships and even refusal to allow cohabitation with partners in the same care home. Those examples are at one level, and cases of elder abuse that occur on another level in care homes are, thankfully, a minority. Any abuse should be taken seriously, and the individual should have a chance to challenge it.

I turn now to professional regulation. I must declare an interest as a member of the Royal Pharmaceutical Society, which will be no more as a result of the Bill. It is somewhat unusual in that it regulates the pharmacy profession but also acts as a representative body. In the post-Shipman era, we are moving towards councils with a parity between professional and lay members. It is difficult for such a body to represent the profession adequately. The Bill will set up a general pharmaceutical council, which is a move that most in the profession now support. However, there are concerns that the move is being foisted on the profession by the Government. Most of the profession seems to feel that there has been a lack of help in setting up a professional body or something akin to a royal college, as suggested by Lord Carter in the Carter review.

The balance of any health care regulatory council is important. Instinctively, it would seem right that there should at least be a lay majority. That would help the public to have a greater trust in the regulators. There is a perception, whether it is right or wrong—I think that it is wrong—that the professions look after their own. I contend that the opposite is the case. The vast majority of professionals in any health profession do a good job and they do not want rotten apples in the barrel. The professions are quite hard on themselves. As we are always told that an evidence base is needed for introducing any change in regulation and policy, what evidence is there that a lay majority gives a better outcome for patients? I do not think that there is any. Dame Janet Smith and the Shipman inquiry suggested it, but there is no hard evidence that it is better for patients.

More controversial is clause 104, which seeks to reduce the standard of proof for doctors, nurses and midwives and the General Optical Council from the criminal to the civil. Most of the noise has been made by the British Medical Association on behalf of doctors. However, the General Medical Council, also on behalf of doctors, planned to introduce such a measure anyway, as was mentioned by the right hon. Member for Rother Valley (Mr. Barron). I understand the concerns of individual practitioners, who must instinctively feel that if they transgress they are at greater risk of losing their livelihood. That must add stress and worry. Other health care regulators, including those in my profession, have managed the civil standard of proof well. It is a serious step to strike a health professional off the register, and it is not done unless there is an overwhelming balance of evidence. It is not done on the balance of probabilities. People have

to be sure. We also forget that the people who sit on such committees and listen and decide the outcomes are human too. They apply a standard of fairness in such cases.

Although the right hon. Member for Rother Valley welcomed the concept of responsible officers, that measure is not welcomed universally. The responsible officers will be situated in NHS trusts and primary care trusts in England. All practising doctors will be able to relate formally to a responsible officer, who will be responsible for evaluating doctors' fitness to practise. It is not yet clear where that role will be based. It has been suggested that in a hospital trust, the medical director might be the appropriate person to take it on. However, medical directors already have a heavy work burden and the extent of a responsible officer's work load is unclear. That needs to be teased out in Committee.

The creation of responsible officers could give greater impetus to resolving problems locally so that they are not necessarily referred up to the GMC. However, conflicts of interest could arise if there were personality differences. Again, we must ensure that the system is seen to be fair in all cases.

I want briefly to mention the general pharmaceutical council, which is being set up to regulate pharmacists and pharmacy technicians and to inspect premises. I want to draw the Minister's attention to a little bureaucratic overkill. The council will maintain registers of pharmacists, pharmacy technicians and pharmacy premises in Great Britain. That is fine; there is no problem with that. However, the primary care trust also maintains a provider's list of local pharmacies, with the power to suspend or remove. It appears from the Bill that the care quality commission will require a third form of registration from individuals or companies, with the potential to intervene in the same manner as the other two regulators. That multiple registration creates potential for duplication and confusion, as well as giving rise to additional expense for health care professionals. One registration is enough. I must already pay £400 next year to stay on the pharmaceutical register, and there is debate in the profession about whether that constitutes value for money.

The hon. Member for South Cambridgeshire (Mr. Lansley) mentioned the devolution to PCTs of the global sum for pharmacy services. In theory, that is a good idea because it should enable them to determine the nature of services locally. However, the hon. Gentleman was right to say that there has been a problem with PCTs, which have not commissioned the enhanced services that the pharmacy contract envisaged. In the case of some services, such as pharmacists going into care homes to review medication, the commissioning has decreased since the contract was introduced. Primary care trusts simply do not understand pharmacy or its potential. I therefore ask the Minister whether he will ensure, if the Government are hell bent on introducing the proposal, that proper pharmaceutical expertise in practice-based commissioning is in the right place in the PCT. That will ensure that the money is best used. I make that point not for pharmacists or out of fear that the money might go to GPs instead, but so that we use all the money to patients' best advantage.

The health in pregnancy grant—a one-off £190—is a bit of gimmick. The Royal College of Midwives estimates the cost to be more than £120 million, and we heard a different estimate earlier. However, that assumes that there will be no baby boom. The RCM says that it supports the grant in principle, but asks for reassurance that its introduction will not be at the expense of investment in maternity services. It pointed out that the spend on maternity services fell last year by £55 million.

I felt that child measurement in the Bill was a bit of a tick-box exercise. However, when I looked into the matter, I realised that we have a golden opportunity to do some joined-up thinking. If we get it right, we will have a tool that proves useful for health professionals in identifying early obesity. The earlier we realise that a child is becoming obese, the easier it is to intervene and change the diet. I understand that height and weight will be measured. In themselves, those are fairly meaningless measurements; we should also calculate the body mass index and plot it on a graph. Measuring BMI makes it easier to spot any deviation from the norm and potential weight problems.

However, according to the press release, parents will be sent the height and weight of their child. If they have access to a computer, they can go on the website and discover their child's BMI. That is pointless because most parents will probably not do it, not everybody has a computer and, most important, there is no tracking. It is important to track the change in BMI. Will the Minister consider the matter and ensure that an opportunity is not squandered in the Bill?

As well as the Bill's introduction, the Department for Children, Schools and Families will publish its children's plan in December. The plan is expected to include some thoughts on obesity. The Department of Health will also develop an obesity strategy, although the publication date is unknown, and a new child health promotion is destined for the new year. All those measures will be introduced at almost the same time, and it would be nice to have some joined-up thinking so that we can start to tackle one of the biggest public health challenges that we face.

Much in the Bill is welcome. Some details obviously need to be firmed up, but on the whole, Liberal Democrats support its broad principles.

6.26 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I am pleased to take part in a debate on a complex Bill that contains many welcome aspects but also raises many questions. I shall ask my hon. Friend the Minister a few questions and I am sure that even more will be asked as the Bill progresses.

I want to speak primarily about the care quality commission but start by welcoming some other elements of the Bill. I am sure that the overwhelming majority of pregnant women will welcome £190—the health in pregnancy grant—whether it is to help them with their diet or, as the explanatory notes state, other aspects of late pregnancy, which could do with some extra money.

Greg Mulholland (Leeds, North-West) (LD): Surely the genuine concern is about pregnant women's diet. All the health evidence shows that that must be tackled early in pregnancy or even before pregnancy to have an impact. All the social evidence shows that the most concern is about those on the least income—the most disadvantaged. Why, therefore, are we considering a

[Greg Mulholland]

one-off payment late in pregnancy rather than extending the healthy start scheme, or doing both?

Mrs. Humble: The hon. Gentleman makes an interesting point, but he is not placing the payment in context. A woman must attend pre-natal classes and engage with doctors and health visitors. I anticipate that, when a woman becomes pregnant and goes to her doctor, she will be advised at that stage—all women are given advice about diet, exercise and looking after themselves in pregnancy—that, if she maintains her links with the health service, she will be entitled, at 29 weeks, to the valuable sum.

Several hon. Members *rose—*

Mrs. Humble: I anticipated making only a brief reference to the health in pregnancy grant, but it appears that we must explore the matter. I shall give way first to the hon. Member for Romsey (Sandra Gidley).

Sandra Gidley: It is interesting that the hon. Lady seems to believe that the grant will be linked to attendance at antenatal classes. Antenatal classes in my area have been cut and cut, and there are now not enough for women to attend, so if the grant increases their availability, I shall be delighted.

Mrs. Humble: The explanatory notes refer to seeking medical advice, which I am sure will mean whatever is appropriate in an area.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): The hon. Lady is generous in giving way again. She is being rather bold, as her assumption about how the Bill will work in practice goes beyond what it says. There is no requirement for a series of antenatal classes with ongoing advice about nutrition, just a requirement for a one-off meeting for general advice about maternal health.

Mrs. Humble: This is exactly the sort of debate that we need to have. In order to access the grant, the woman will have to seek advice. I hope that that same woman will seek advice at an early stage in her pregnancy, as indeed most women do. They either go to the doctor to confirm that they are pregnant or go to the doctor once they have confirmed that personally. I remind the hon. Gentleman that the grant should be seen in the context of other initiatives from the Government, such as Sure Start projects and the expansion of children's centres. Women would have to sit at home and not read a single newspaper, not watch any television and not leave their houses in order to avoid all the advice that they are now given not only about their pre-pregnancy diet and diet once they are pregnant, but about having a healthy lifestyle in general. I welcome the grant and I am sure that it will be appreciated by the overwhelming majority of pregnant women.

A second aspect of the Bill that I welcome is the removal of the liable relative rule. It is clearly unjust to require a husband or wife to pay for the cost of the care of their spouse in a care home over and above the resident's contribution. Indeed, the overwhelming majority of local authorities do not enforce the rule, so I welcome the fact that we are going to remove it. I also welcome the new public health measures to help to prevent and control the spread of serious disease.

The extension of direct payments to those who lack capacity, by allowing payments to be made to a suitable person who will manage it on their behalf, is a welcome move, especially for families who have severely disabled children. Those children can access direct payments, which are usually made through their parents. When that child becomes 18, they cannot continue with direct payments, because they will then be an adult lacking capacity, but under the proposed extension they will be able to do so. Other groups will also be able to access direct payments for the first time, including people with dementia, people with learning disabilities and people who may have a fluctuating capacity.

Will my hon. Friend the Minister offer an assurance that vulnerable people who lack capacity will be protected? The Mental Capacity Act 2005 sets out a functional test for capacity. An individual might lack the capacity to make certain decisions, such as complex financial decisions, but might well be capable of making decisions about their personal care. In the context of direct payments, an individual with learning disabilities might not be capable of managing their finances, for example, but whoever is doing so should ask them what sort of care they want, in order to determine whether they can talk about the care that they feel they should have. Let us not think that the extension of direct payments means removing all decision making from an individual, because the same individual could, within the terms of the 2005 Act, be more than capable of making some decisions, while being incapable of making complex financial decisions.

I also welcome the transfer of the pharmaceutical global sum to PCTs. PCTs should already be working with pharmacists. Reference has been made in this debate to the new pharmacy contract. I visited my local pharmacy, near where I live in Blackpool, after the new contract was introduced. My local pharmacist had set aside an area for private discussion and consultation. He was looking forward to engaging with his customers and offering them advice. Pharmacists now have a public health role that they should be working to. The transfer of the global sum to PCTs represents an opportunity for them to work much more closely with pharmacies to deliver that important part of the Government's public health agenda, so I welcome it.

I welcome the Government's proposal to establish the care quality commission, in order to deliver a seamless package of care between health and social care. There are not two different groups of people, one that receives only health care and another that receives only social care. There is already a mix. Sadly, however, some people find it difficult to get a seamless progression of services through health and social care. I was at a meeting with Blackpool PCT on Friday, at which I discussed that very issue. I was pleased to hear that Blackpool PCT is already developing integrated care packages for patients, so that it can look at what an individual needs, from an ambulance to take them to hospital and the acute care that they will receive to the after care that they will need, thereby treating the individual as a whole person, not as a care episode, a health episode, then another care episode and probably another

health episode after that. If by introducing the care quality commission the Bill helps PCTs to deliver that sort of integrated package of care, it will be very much welcomed.

As I mentioned in my earlier intervention on the Secretary of State, there are concerns in the social care sector that social care will be a second-level partner. It must not be, not only because of the individuals receiving that care, but equally because we cannot afford to lose the excellent work that the Commission for Social Care Inspection has done over recent years. Dame Denise Platt has offered leadership to CSCI, which has raised standards in social care, increased the profile of social care and undertaken important research. Above all, CSCI has listened to care users and their carers. I read CSCI's annual report with interest. It is not often that I read annual reports with interest, but every hon. Member should read CSCI's annual report, because it outlines what social care is provided, how it has changed and how it will continue to change.

I strongly believe that the hard work that CSCI has done needs to be taken forward and put at the centre of developments for the new care quality commission. My question for the Minister is: how is it going to do that? How will the new commission deal with the fact that 24,000 of the 30,000 registered health and social care providers are in social care? The new commission will be dealing on the one hand with NHS facilities and any health facilities that are large and, on the other, with a multiplicity of social care providers, the majority of which will be small independent providers in the private sector—often, small and medium-sized businesses. Bringing together the Healthcare Commission, CSCI and the Mental Health Commission in this new organisation will therefore require changes of practice to address the different forms of facility that the new body will register and inspect.

It goes beyond that, however. I am talking not only about the nature of the facilities but about the differences, which the commission will address, in policy background in health and social care. Health and social care often start from different perspectives. Heath care usually works on the precautionary principle: we see an illness, respond to it, write a prescription or perform an operation. Social care, however, has traditionally been in the risk business. It involves seeing how far someone can cope on their own, and giving them a bit of support while leaving them in their own home in the community. We are going to have to bring together those two very different ways of working, while maintaining the proper roles of the health care and social care professionals.

Interestingly, the all-party parliamentary group on social care, which I chair, is undertaking an inquiry into the changing role of the social care profession. That role is changing, but social care professionals want to hang on to what makes their role special. It will be an important job of work for the commission to ensure that it acknowledges that, and that it acknowledges the differences between health care, social care and mental health care, now that they are all within the same remit.

The commission will have to acknowledge very real differences in another area as well. The NHS is free at the point of delivery, but social care customers pay. They are at the very least assessed to see whether they should pay for most of the services that they receive, and large numbers of them do pay for day care, domiciliary care or residential care. Those paying customers will want their voices to be heard. Concern has already been expressed about how the voice of the user will be listened to by the new commission.

There is a tension between the Government's understandable desire for light-touch regulation and the need to safeguard vulnerable individuals in health or social care. Sadly, having policies in place is sometimes not enough, because those policies are delivered by fallible individuals. Inspection to see how individuals are applying the policies that we determine is therefore vital. As I understand it, the new commission will have a less frequent inspection regime. Indeed, some social care providers might not see an inspector more than once every three years.

I listened with interest to an answer that the Secretary of State gave following an intervention on this point. He quite rightly asked why, if someone was doing their job well, we should go round and inspect them every other week. Of course we do not need to do that. However, many social care establishments have a high turnover of staff. I do not have the statistics on health care. A snapshot visit on day one might reveal an excellent care team delivering high quality services, but that does not mean that that same high quality team will still be in place a month, six months or a year later. I wonder how the new commission will be able properly to monitor the huge number of social care establishments that experience a high staff turnover. There is a particular danger involved when senior staff leave, whether the manager of an establishment or a member of the senior team. Those people set the tone for an establishment. They make sure that new staff are trained to work with vulnerable individuals. I hope that the Minister will be able to reassure me that the new commission will look at an appropriate inspection regime for that multiplicity of social care establishments.

The Bill requires the commission to establish an advisory committee to ensure that it takes into account the views, advice and information coming from people such as providers and users of social care. It should listen to the views of the public on activities within its remit. Again, my question is: how will this work? How will this be achieved in practice?

Sandra Gidley: I am listening with interest to the hon. Lady, and she might be about to raise this point. It is all very well having an overarching group of the great and the good—namely, patients who are known to the system. Does she agree, however, that the benefit of the way in which CSCI has worked has been to ensure that, when an inspection takes place, local views are taken on board?

Mrs. Humble: I agree with the hon. Lady. I also agree with her earlier remarks about the rights-based approach of CSCI. In my opinion, it is important that that should continue into the new commission. The rights of service users and their carers must be at the heart of the development of the new system of registration and inspection. If they are not, there is a real danger that the voices of people who are reluctant to speak up will not be heard. Patients in hospitals have access to the patient advice and liaison service—

[Mrs. Humble]

PALS—that the Government set up. Those patients are in larger establishments, with more people coming in and out and a larger group of trained staff on hand. Care homes are often small, with a small number of staff and often, sadly, very few visitors, and the people living in them can become isolated. In that context, the voice of the user of those services really must be heard.

The Bill does not include a requirement for the commission to seek the views of the public. However, two other groups mentioned in the Bill—the office of the health professions adjudicator, in clauses 100 and 101, and the council for healthcare regulatory excellence, in clause 108—are explicitly required to seek public and service user opinions. Perhaps the Government intended the advisory committee to fulfil that role. If that is the case, I would like more information on how the voice of users is to be heard.

At the risk of overusing the word "vulnerable", I must stress that we are talking about the very vulnerable people who receive these services. I want to mention two groups in particular. Clause 44 will allow the commission to undertake special reviews and investigations. The first group that I want to mention is children with disability. My hon. Friend the Minister might recall that, last year, together with my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), we held a series of parliamentary hearings on the needs of children with disability. One issue that came out clearly from those hearings was the difficulty that many of those children and their families experienced during the transition from children's services to adult services. I hope that the new commission will work closely with Ofsted to see how children's services can be moved forward into adult services in the context of children with disability.

The second group involves adults with disability, especially adults with learning disabilities. Sadly, we have had too many instances of inequality of treatment of adults with disabilities, in health care and social care.

The hon. Member for Romsey referred to Cornwall Partnership NHS Trust, which was in a truly shocking state in 2005. The trust had three stars in 2004 and it had two stars in 2005. When it was awarded those stars, was anyone looking at the care on offer? When CSCI and the Healthcare Commission investigated, they described incidents such as

"staff hitting, pushing, shoving, dragging, kicking, secluding, belittling, mocking, and goading people who used the trust's services".

The report described a truly appalling situation.

In March this year, Mencap produced a report, "Death by indifference", which again detailed cases of institutional discrimination within the health service against people with learning disabilities. We really must ensure that the new inspection regime looks at the quality of the care delivered; it should not be just a tick-box regime, behind which examples of unacceptable practice could be hiding.

The commission will look at how local authorities and other organisations deal with complaints, but it is sometimes by listening to complaints that we find out what is happening on the ground. I hope that the Minister will look at the commission's role and ensure that, in reflecting on how local authorities and individual organisations deal with complaints, it will be able to build up a picture and perhaps identify systemic complaints. If the same organisation receives the same complaints time and again, there may well be something seriously wrong, and the commission needs to be able to identify that.

About 35 per cent. of people are self-funded in the social care field. They, rather than the local authority, pay for it, so they cannot bring complaints to the local government ombudsman. They have to complain to the person who runs their home. Will they make such complaints if they feel vulnerable within their establishment? If someone else complains on their behalf, how will the new commission find out about it? Again, we are talking about people in isolated settings throughout our communities. A complaints structure provides a good way of building up a profile of when things are going wrong.

Finally, I want to say a few words on the social care work force, which the all-party parliamentary group on social care is looking into. The General Social Care Council has raised with me questions about its role on the new commission. The GSCC has already registered social workers but it is rolling out its registration regime. How will it work with the new commission to ensure that people who work in social care are registered, properly trained and have all the necessary qualities to deliver social care to vulnerable groups of people?

As a newly elected MP several years ago, I recall sitting in the Committee scrutinising the Care Standards Bill. That is one of the best Acts that the Labour Government ever introduced because it addressed the delivery of quality care. If the Bill is to succeed, we must ensure that the new care quality commission will pick up all the good points that were embodied in the Care Standards Act 2000 and ensure that vulnerable people—whether they be in a health care setting or a social care setting—are protected, listened to and supported. That will be the test against which the legislation will be judged.

6.54 pm

Peter Bottomley (Worthing, West) (Con): I hope that the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) will forgive me if I do not follow up all the points that she has presented to the House.

I start by paying tribute to Peggy and Arthur Wynn. She wrote the first book on family policy in the 1960s. Family policy, or trying to put the family life cycle and family perspective into social and economic policy, has now become a more generally accepted idea. Some people used to think of it as population policy. That is not for us. It can apply to what might be called the private aspects of public health. One of the points that Peggy and Arthur Wynn drew to our attention was the need for pre-conception care, which cannot come from public authorities or commissions.

Whatever the benefits of having child benefit during the later stages of a pregnancy, the health of the mother can be affected when the father smokes, for example. That can affect rates of birth handicap. Some congenital malformation is perfectly normal, but some can be severe. Some of the severe ones can be affected

by the state of the mother's health and the father's behaviour before conception. I believe that we should pay more attention to those issues. We could then add on the sort of provision that the Government are offering through the Bill. It is getting the culture right that matters.

The French, for example, decided—in the 1960s, I believe—that they wanted to deal with difficulties affecting birth and infancy, so they set out a seven-year programme with various targets that they wanted to achieve. They actually achieved the targets within a year and a half of launching the programme—long before the measures that they had introduced had any chance of having an impact. They were raising awareness and consciousness, and getting people to do more of the things that worked and fewer of the things that did not work. I hope that people will view this debate in the context of trying to get people to do things that are more consistent with what they want for themselves and for those whom they love most.

We should try to ensure that the early stages of pregnancy get the right degree of attention. I declare an interest, as a member of my family is involved in early-stage pregnancy. Having heard that the Royal Pharmaceutical Society is likely to lose its regulatory impact, I would also like to say that I am the great grandson of the last person—and for all I know, the first person—to be president of the Royal Pharmaceutical Society without being a pharmacist. But that is so far in the past—it was 100 years ago—that it is not relevant now.

On early-stage pregnancy issues, research will reveal more of what people would want to know, but we already know enough now to be able to say that once someone discovers that they have contributed to conception—this applies as much to the father-to-be as to the mother-to-be—care and concern matter. We want to get away from what could be characterised, probably falsely, as a bipolar approach to pregnancy: too many of us have our conceptions when we do not intend them, when we are very young, and too many of us delay them far too long. We need to get back to the stage of saying that creating a new child is a perfectly normal and natural thing to do and it should not have to be put off until people can afford to buy a house in their 40s—but it should not be done quite so often and so blindly by people in their teens. In effect, we want more people nowadays to make fewer of the mistakes that we ourselves made in our time.

On the regulation of the professions, I want to declare my general view that it is often easier to make an existing system work better than to have thorough reviews and a thorough all-change. That is not what we are facing. There seems to be reasonably bipartisan agreement that the preparation for the changes in regulation is worth while.

I back up what the Chairman of the Health Committee said about the civil standard of proof. This is not as big a change or contrast as people have thought. The reason why I raise the matter is that when I served on the Standards and Privileges Committee, we were considering possible offences—and certainly some actions by some of our fellow Members of Parliament—and there seemed to be a general view that the worse the implications of finding someone guilty of bad behaviour, the higher should be the standard of proof. It almost reached the stage where something could not be proved. Just because something cannot be proved, it does not mean that we cannot take action, or that by examining the matter in public at some stage, we cannot get people to understand that someone will say to them, as they would say to me, for example, if I were the person involved, "You've got to do better—get some retraining, or stick to the part of the job you're good at and stay away from the part you're not good at." Only in very rare cases is it found that no one knew what was going wrong.

I remember some years ago being told by a GP in south London, where we then lived, that his job was to go around saying to other GPs, "Look, you can fight this out in public if you want, but I want to tell you that many of your colleagues don't think you're good enough at what you're doing in this particular area. Please focus on the things that you are good at, where you're making a great contribution." It is not as if people have no right of appeal, or cannot ask for the matter to be examined in a rather more official fashion. It is the same sort of public service that the Whips provide in the House—in a way.

I also think that we should look for standards of proof of competence, rather than always looking for standards of proof of incompetence. Given the changes that are taking place in, for instance, medicine and sickness care, most people want to demonstrate that they are capable of doing things in a way that has been shown to be better. Obviously an innovative procedure may be challenged. I remember when, 50 or 60 years ago, the "wizard of Wigan" started to provide hip replacements. First it was said that they would not work, and then it was said that even if they did work, no one would be able to afford them. Now I have constituents who are on their fourth or fifth new hip. That is a normal development: we are used to it in many other parts of medicine, and we should allow for such innovations. Keyhole surgery, for example, became a fashion, until people discovered that in many cases it was not being done very well; now it is being done very well indeed.

I pay tribute to one of my constituents—I suppose that, for reasons of medical confidentiality, I should not name him—who worked on the campaign to save Worthing hospital. Instead of coming to lunch with me today, he had a heart attack yesterday. He was diagnosed and taken to hospital, and had his operation today, with a doctor's balloon up an artery. He is now 100 per cent. fighting fit—or, at least, happy; it will take some time for him to recover fully. Such cases are a result of innovation and professional standards, and I pay tribute to the doctors, nurses and others who cared for my constituent. Lunch could be postponed but the operation could not, and I am glad that Worthing hospital was still there to provide it

Clause 119 has received no attention so far. Obviously Second Reading is not the time to go into great detail, but Liberty has contributed a useful thought about the provision for a magistrate to exercise major power, suggesting that except in emergencies a magistrates court, rather than just a single magistrate, should be involved. Perhaps the issue could be dealt with in Committee. When a magistrate signs a detention order—which is only one of the powers available to him—it may be challenged, although on many occasions it will be accepted. If the order is challenged, could it not be put to the magistrates court for confirmation?

[Peter Bottomley]

Perhaps on Report, when the Committee has had a chance to consider the matter, we could have a fuller debate on whether Liberty's point should be followed up, or at least adapted. Clearly the power to detain someone with an infectious condition or for failing to accept treatment, or for some other reason, is necessary, but I do not think that the provision should automatically be passed because of other issues of regulation. If a person's liberty could be at issue, we ought at some stage to engage in a full and open debate on the Floor of the House—for the protection of the public, if not for that of the person concerned—and it would seem appropriate to do so on Report.

Clause 41 states that the Secretary of State must consult before making regulations. The people whom he consults will be chosen by the Secretary of State himself. That raises a point of trust. I think that whoever holds the office of Secretary of State—and it is a matter of public record that I am married to someone who once held that office—we ought to be able to trust that person and his or her advisers. We should resist the temptation to throw a few jokes around, and say that while Secretaries of State and their advisers may not necessarily be perfect, they ought to be able to run a system allowing open and genuine consultation before the laying of regulations. The public ought to be aware of the points that are made, and the Secretary of State should have to defend the decisions that are eventually made. However, I cannot claim that the system always works.

I end by paying tribute to the Health Committee. I attended its first hearing on Modernising Medical Careers and the medical training application service. The officials who gave evidence made an opening statement that allowed the tone of the meeting to be far more useful than it might have been otherwise. However, we need to know at some stage how so many people became involved, and why the outcome was—I am using very gentle language here—so inappropriate.

7.4 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I want to speak about the establishment of citizens councils for the regulation of health care professionals.

Anyone who reads the Bill will recognise immediately the difficulty experienced routinely by members of the public who seek to decode important issues requiring public scrutiny and debate, and the parts relating to the long-overdue modernisation of professional regulation are no exception. It is that small yet significant part of the Bill that I want to discuss. The co-operative movement, of which I am a tiny part, is perpetually renewed in each generation when aspects of it become more relevant to current issues and dilemmas. Our task is to put it in a contemporary context, which is what I have done in early-day motion 386, tabled today, concerning the establishment of citizens councils for the regulation of health care professionals.

Co-operation and partnership working between citizens and professionals is even more essential in health care today if we are to regain the trust and confidence of the electorate and service users, and their belief that the decisions made give them the rights, dignity and patient safety that they deserve. I extend the famous Putney debate principle that

> "The poorest he that is in England hath a life to live as the greatest he"

to the context of devolution, and the importance of achieving an effective United Kingdom-wide system ensuring patient safety and the best possible patient experience across the 2 million people working in the health care sector.

I do not know whether Members saw an edition of the *Daily Mail*, published in February 2006, whose front-page headline read "Sentenced to die by arrogance". It reported that 18 patients had been wrongly given a breast cancer screening all-clear by a consultant radiologist, who had continued to work for 18 months before the employer launched an investigation. The case was then referred to the General Medical Council.

The allegations will sound familiar: a practitioner working in isolation, absence of monitoring of work practice, colleagues not speaking up strongly, and a health trust reluctant to intervene. The public are also familiar with recent cases in which patients have been abused and died. Failures of paediatric surgery in Bristol, and the conviction of GP Harold Shipman for murder, provoked high-profile and expensive Government-sponsored inquiries.

However, this is not just about doctors. Nurses and midwives, dentists, pharmacists and many more have their own regulatory bodies, and the Health Professions Council regulates as many as 13 professions, with more in the queue. Nor—as we have heard in today's debate—is professional regulation concerned solely with striking people off registers and barring them from further practice. The nine statutory professional bodies are responsible for setting the standards that practitioners must meet in their education and daily practice.

We must ask ourselves what patient and public involvement can add to regulation. If regulation is to be undertaken in the public interest, it must also require public involvement. The regulation of professionals, argued Sir Ian Kennedy in his 2001 report "Learning from Bristol", is too important to be left to the professions. He said:

> "The public are entitled to be involved at all levels and stages: in both setting and agreeing the systems for assuring competence and in their operation."

The report went on to explain why that should be so:

> "First, the public can participate in the process of setting and reviewing the criteria for admission to the profession.... After all, the professional is going to be caring for the public as patients.
>
> Secondly, public participation in this process serves as a warranty that the public's interests are being safeguarded and as a reminder that the profession exists for the public".

In 1999, the National Consumer Council took an outsider's look at professional regulation, questioning whether it was fit for the fundamental purpose of protecting the public. It found a confusing patchwork of procedures, terminology and standards for the different professions, and pronounced the system to be out of touch with the times. The Bill gives us a once-in-a-generation opportunity to modernise professional health care regulation for the benefit of future generations.

The challenges that patient and public groups have raised about the direction of change—system complexity, the lack of transparency and clarity in processes, and

the failure to join up complaints and redress systems—remain with us, and measures in the Bill are intended to address those issues. However, the modernisation of professional health care regulation requires a much more dynamic approach to public and patient engagement than is set out in paragraphs 1.11 to 1.27 of "Trust, Assurance and Safety—The Regulation of Health Professionals in the 21st Century" and in the Bill.

The general public do not necessarily know much about regulation, but they assume wrongly—and fondly, perhaps—that there are robust systems for ensuring that practitioners are competent and up to date. That is a reasonable expectation, which Government must ensure is met. In 2005, the Department of Health commissioned a research study from MORI to examine the attitudes of the general public and doctors towards medical regulation and assessment. The key findings of the research are worth highlighting. It was found that few members of the general public know anything about the current system of assessment of doctors after qualification. Almost half of the sample of the general public assume that regular assessments are already taking place, with more than one in five thinking they already happen annually.

There is widespread support for regular assessment among both the general public and doctors. Nine in 10 members of the public and more than seven in 10 doctors thought it important that doctors' competence be assessed every few years. Nearly half of the public thought that those assessments should be done on an annual basis, while doctors favoured doing it less frequently; interestingly however, hospital doctors seem to favour more frequent assessments than their colleagues in general practice.

The current system of medical regulation is not visible to the general public. It is striking that many people believe that regular assessment of doctors is already taking place. Moreover, almost all wished it to take place frequently, and half said that there should be annual checks. That public view is in marked contrast to that of commentators and politicians, who often hold that regulation should be a "light-touch" process—a view not necessarily shared by patients in the United Kingdom.

Changing traditional professional attitudes requires an informed public, who have an important part to play in co-producing public safety and improving the overall patient experience. That cannot be effectively achieved by the separate PPI—patient and public involvement—arrangements financed by different regulators within the health care team. I hope that the Minister will respond to the fact that the Bill proposes that lay membership of the Council for Healthcare Regulatory Excellence be reduced from 10 to seven people and be appointed to "reflect"—whatever that might mean—rather than to represent, an increasingly diverse public.

The CHRE, which is in practice more accountable to Government than to Parliament, would in my view greatly benefit from independent citizens councils that are representative of, and accountable to, diverse community interests in each part of the UK. I have today tabled early-day motion 386 because we need to recognise the difficulties that patient and public groups face in finding the resources to engage in detail with the complex and intricate processes of balancing professional and public interests. New citizens councils should be established in each of the four countries of the UK to work alongside the CHRE. The essence of democracy is that it makes it possible—I emphasise the word "possible"—for a diverse public and patient view to express itself.

The citizens council idea is not new. As specified in the English NHS plan in 2000, the National Institute for Health and Clinical Excellence has valued its citizens' council and has referred to it in positive terms on numerous occasions. There is learning to be had and examples of how it might work in the many citizens juries that have met, and in the national debates that have been conducted in fields such as health, environmental issues, urban planning and genetically modified foods. In the context of health care professional regulation, citizens councils should be independent—and should be seen to be independent—and should be funded from the public purse, in order to explain to, and inform, interested and diverse patient and public groups about the nature and significance of proposed changes to the system of professional health care regulation, carry out consultations and collate responses on a four-country-wide basis.

I stress the importance of lifting this debate out of the technical language in which the dialogue is currently conducted. We should give a real chance for a public perspective to be heard and taken into account, alongside that of the very well-organised and well-financed professions that are constantly lobbying and fully engaged in promoting substantial legislative change, both in terms of this Bill and, as my right hon. Friend the Member for Rother Valley (Mr. Barron) mentioned, through section 60 orders under the Health Act 1999. I believe that one has been tabled today.

Let me finally turn to the subject of health care support workers. There is concern that pressing issues for patients and the public—such as the effective regulation of those who give hands-on care to vulnerable population groups in hospitals, nursing and residential homes and in the community, often involving intimate and personal care in health-care assistant roles—are not being treated with the urgency that they deserve, although such workers are increasingly important in the context of community-based provision.

Those concerns include the lack of education and training for tasks traditionally carried out by qualified, registered health care professionals and the lack of a regulatory framework for health care support workers. Responsibility and accountability for their actions in clinical and other settings cannot continue to be considered behind closed doors, and active public engagement is required. Citizens councils provide the mechanism to make this a reality. I hope that the Minister will respond specifically to that point.

There is common ground among the main political parties; I hear that there is unlikely to be a Division tonight. We are all seeking to find ways of securing democratic renewal and engaging citizens in hard decisions, addressing risks, balancing rights and deciding on priorities for Government action at UK and devolved levels. Although they are invisible to the public—we must ask why—professional health care regulation and the regulation of health care support workers are key areas in which it could be demonstrated that bodies such as citizens councils can work and make a difference. However, the Government also need, jointly, to put in

[David Taylor]

place a structured system, which is inclusive and ensures that a wider perspective is brought to the debate, alongside the CHRE's inevitably close working relationship with professional health care regulatory bodies.

The Minister needs no sympathy from me, but it is true that Ministers have an unenviable task in this respect. They have to cope with the intricacies of separate legislation and the complexity of a UK-wide system. They will face—they are already facing—strong professional lobbying, and objections to ending elected member representation will undoubtedly be one theme. Another theme has been the standard of proof in fitness to practise proceedings under part 2 of the Bill. At its heart, however, the issue they face is very simple. The public expectation of health professional regulation is that it will deliver health professionals who can be trusted to provide up-to-date relevant treatment and therapies, who are dedicated to developing their knowledge base, and who have patient safety as their overriding objective.

When things go wrong, people expect a full explanation, and perhaps recompense, but more often changes that will reassure them that the situation is unlikely to occur again. Root-and-branch reform was the demand from some of the patient-focused organisations that responded to the White Paper consultation. The MORI polls that I mentioned earlier showed that people assume that regular checks on health professionals are already in place, and that policy is much further along that road than it actually is. Failure to take decisive action now threatens to destroy public confidence, not only in regulation, but also in the policy process itself.

In summary, public engagement can help drive the co-production of modernised professional health care regulation, especially in relation to secondary legislation, in the period to 2011. I urge the Minister to take on board my comments, and I hope that the Government will introduce citizens councils, so as independently to inform the CHRE's strategic decision making and strengthen a four-country approach to patient safety and improvement of the overall patient—or service-user—experience.

7.18 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): It has been a privilege to attend the debate. There have been numerous thoughtful contributions from experienced and knowledgeable Members, and it is a pleasure to follow them.

As suggested by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) in his response to the Secretary of State's address, one could have been forgiven for thinking that the first health Bill under a new Labour Prime Minister would be a bold attempt to set a groundbreaking agenda for the health service—that most iconic yet troubled of our public services. In recent months, we have heard some expansive, and at times not unattractive, rhetoric from Health Ministers about tackling health inequalities and the importance of the public health agenda, but I am afraid that the measures in the Bill do not back up that rhetoric and provide little confidence to suggest that the Prime Minister and his Ministers have a serious and compelling long-term vision for our health services.

There is considerable agreement in all parts of the House on the Bill's broad policy objectives, but I want to address an issue on which there is room for some contention—indeed, it has been commented on already today—the health in pregnancy grant. The notion that pregnant mothers might need assistance in making choices about their diet and lifestyle in order to give their babies the very best start in life is absolutely unobjectionable. In an age of increasing obesity, and yet a wider and deeper knowledge about the importance of good diet in pregnancy, no one would disagree with recognising that the state can play a positive role in supporting pregnant women and helping them to eat the very best food. It is, Mr. Deputy Speaker, literally motherhood and apple pie.

However, it is a huge leap from that position to supporting a one-off cash payment being made to all mothers, regardless of socio-economic background or geographical location—there are differences in health outcomes and diet that are related to the geography of the UK—at a fairly late stage in their pregnancy. It is a huge leap from endorsing the general principle of supporting pregnant women in making healthy lifestyle choices, to supporting a one-off cash payment at a late stage.

Dr. Stoate: I understand the hon. Gentleman's reservations about the late payment of a one-off grant, but can he come up with a scheme that would work better and really get to all such women, regardless of their circumstances, and not just those who apply for a grant, in order to ensure the widest possible uptake?

Mr. Crabb: I will go into this issue in a little more detail shortly, but where is the evidence to suggest that absolutely all women need assistance from the state in making good choices about their diet and lifestyle in pregnancy? Surely the priority should be targeting limited resources on those in most need. The evidence to suggest that such a crude, untargeted payment after the 25th week of pregnancy will lead to better dietary choices on the part of mothers, and therefore to better health outcomes for babies, is simply non-existent.

Greg Mulholland: Perhaps I can help the hon. Gentleman by asking whether he agrees that we should have strict conditionality regarding what this enormous sum of money is spent on, to ensure that it is spent on what it is supposed to be spent on.

Mr. Crabb: We can look at conditionality, and at alternatives to how this money might be spent that achieve similar outcomes. Where are the results of the pilot and the pathfinder studies to back up these policy proposals? Were any lessons drawn from international experience to suggest that such a one-off lump sum payment can deliver the policy objectives that we want to see?

Mr. Barron: Is there not clear evidence that universal state benefits get to people, and that those that have to be applied for do not?

Mr. Crabb: I am not disagreeing with that—there is no doubt that the cash will get to people. My argument concerns how the cash will be used and whether it will actually deliver the health outcomes that Ministers are saying it will.

I turn to the timing issue and why there is this focus on such a late stage of pregnancy—the 25th week. That approach conflicts with a lot of expert opinion and practical wisdom out there regarding ensuring the well-being of a pregnant woman for the whole term of her pregnancy. Tam Fry, director of the Child Growth Foundation, was quoted in *The Observer* when this policy was announced as saying:

"By the time a woman falls pregnant, she already needs to be eating well".

Daghni Rajasingam, speaking on behalf of the Royal College of Obstetricians and Gynaecologists, said at the time:

"If a woman is not already eating a healthy diet by that stage"—

the 25th week—

"then encouraging them to eat more fruit and vegetables"

from 25 weeks

"is too late...Even for small babies it is too late, there is very little you can do to increase growth at that stage."

So the emphasis on the 25th week is entirely misplaced. The Government should be stressing the need for pregnant women to learn good lifestyle and well-being habits and to unlearn some bad habits, such as those related to smoking and alcohol, at the earlier stages of pregnancy.

I do not remember much of my National Childbirth Trust classes before my first child was born, but I do remember two things. I remember the women being separated from the boyfriends and husbands at the very first meeting, and the men being put to one side and given a game to play. We were given a diagram of a female body and about 25 labels, and we were asked whether, as a group, we could label a woman's body correctly. I think that we scored under 75 per cent., which suggests that men should tread carefully when talking about such issues. I also remember the emphasis that was put at the very outset of those classes on the importance of diet and good lifestyle. There was no discussion of the 25th week and of getting one's act together at a late stage of pregnancy; the focus was always on sorting out the issues—giving up smoking, cutting down on alcohol, watching what one eats and eating good quantities of fruit and vegetables each week—from the very start. So the focus on 25 weeks is misplaced.

I want in a very gentle way to raise with the Minister a question that is not purely hypothetical. There is some discussion in all parts of the House of the termination of pregnancies at this time, and whether there is a need to look again at the upper-term limit and to reduce it. What would happen if, the two Houses in this Parliament being willing, the upper-term limit were reduced to, say, 22 weeks? Would there be a need, therefore, to move the timing of the cash payment back, in line with that? If not, in theory a pregnant woman could legally make a claim for the grant and also legally terminate a pregnancy. I am talking very hypothetically, but I would welcome a response from the Minister because termination limits is a live discussion.

The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) spoke about the meeting with a health professional that a pregnant woman would need to have in order to claim this grant. I share her vision of how that would work in practice. She talked about an ongoing dialogue involving giving advice to pregnant women about diet and lifestyle choices, for example. However and as I said in an intervention, the Bill, which is vague on detail, does not provide for that. Rather, it refers to a woman receiving

"advice on matters relating to maternal health from a health professional".

She will have had that, anyway, from her health visitor or GP, so I do not see how we get from the Bill to the idea put forward by the hon. Lady, which I support, of an ongoing interface between the pregnant woman and a medical professional about diet and healthy choices.

I turn to how the scheme will be administered. We know that it will be delivered through Her Majesty's Revenue and Customs—this huge, sprawling, merged Department that, as we now know, is beset with operational difficulties. If we did not need any other reminders, the events of last week have shown that yet again. However, there is another experience involving HMRC that is relevant here—that of tax credits. We all know from our constituency surgeries the number of people who are having to pay back money that the Treasury is clawing back as a result of overpayments. We know that when many people are given up-front payments, they spend them—that is in the nature of things. Those on low incomes or facing pressing expenditure needs, in particular, will spend them. Where is the evidence to suggest that a pregnant woman will use this one-off cash payment of the health in pregnancy grant in a planned way to meet their ongoing dietary needs and to ensure that they can pay for good-quality fresh fruit and vegetables? Will not human instinct take over if this money is paid in a one-off lump sum? The Secretary of State has talked outside this Chamber about the "broccoli police", who will not be coming round to check that all the money is being spent on what it is intended for. However, it is worth asking whether this money will just get burned up very quickly and will not be used in the way that Ministers intended.

To conclude on this point, the Government are proposing to spend a significant sum—£120 million—and if one accepts the line from the Royal College of Midwives, that figure will increase significantly in the years to come. In the absence of any effective strategy for well-being during pregnancy or any prioritisation in respect of poorer women or women from areas where there is a higher incidence of diet-related problems, and when the maternity services of many communities are being eroded, could the money be put to better use? To my eyes, this is more part of a political strategy than a health one, and to many people it smacks of the Government trying to create a new tier and category of cash-receiving clients of central Government. There is room for contention and vigorous debate on this measure.

On the national child measurement programme, the hon. Member for Caernarfon (Hywel Williams) knows that I am not the greatest devolutionist in this place, but I support the measures in the Bill to extend powers to Ministers in the National Assembly for Wales to introduce a similar scheme in Wales to the one that has been running in England and to bring it in line with the changes that will be introduced in England for

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measuring the height and weight of children with a view to feeding the information into body mass index calculations.

Wales has a significant and growing problem of childhood obesity. It is not a new phenomenon. Ten years ago, groups of general practitioners in Wales were warning that an epidemic of childhood obesity was about to hit Wales. In the past eight years, since the establishment of the National Assembly for Wales, which has responsibility for these issues, precious little substantive action has been taken to tackle childhood obesity in Wales. I welcome this measure in the Bill. If it enables, and provides more tools to, Health Ministers in the Assembly to tackle childhood obesity, it has my support.

I was excited to see the small section on social enterprise in the Bill. Some years before being elected to this place, I was involved in setting up a social enterprise in south London. It was attached to a large mental health charity working with people from the African and Caribbean communities. The idea was to create a social enterprise using some of this charity's clients in producing high quality frozen African and Caribbean food to sell to national health service primary care trusts, which were demanding such food as they moved towards having more ethnic choice in the meals that they provided. We faced huge hurdles in setting up the social enterprise. Trying to do business with PCTs, get contracts and negotiate all the different hurdles that we had to clear was a time-consuming and expensive process. We benefited from the fact that a PCT supported what we were trying to do, shared the vision of the social enterprise and put its resources behind it.

If, as I understand it, the measures in the Bill will extend such provision, give more direction to it and enable far more social enterprises to crop up in the health and social care field, that can only be a good thing, because this is a rich environment for social enterprises. It would be good to hear from Ministers about their vision for social enterprise and how it can contribute to health and social care.

7.33 pm

Dr. Howard Stoate (Dartford) (Lab): As the House well knows, I still do some general practice for the national health service and I have a particular interest in public health. As we have heard this afternoon, one of the most serious public health issues facing this country is obesity, which is not only growing at an extraordinary and alarming rate, but is one of the most difficult areas to tackle.

The Foresight report, published on 17 October, set out some alarming statistics, and I want to focus on the part of the Bill that deals with the weighing and measuring of children. The report said that in 2004 approximately 10 per cent. of boys and girls aged six to 10 were obese, but the forecasts were rather more alarming. The report pointed out that those figures are likely to increase to 21 per cent. for boys and 14 per cent. for girls by 2025, and to 35 per cent. for boys and 20 per cent. for girls by 2050. Those figures are probably conservative, because they are based on an international standard for measuring obesity that we do not use in this country and which, if anything, underestimates the prevalence of the problem.

The national child measurement programme records the height and weight of children in reception and in year 6, and at least gives us some information to go on. The national public health service was recently asked by Government to undertake a feasibility study in 2007-08 on the creation of a national surveillance programme of children's height and weight. Again, that goes some way towards addressing things. The provision in the Bill for weighing and measuring children is buried in the miscellaneous provisions in part 5. I call on the Government to go much further, both from the health point of view and in ensuring much more cross-departmental work in government to try to tackle this issue.

There is no question but that the provision of better information and advice to parents about their children's health is essential. The majority of parents probably are well aware of the growing incidence of obesity and the need to tackle it, but parents do not always identify problems with their own children. As a general practitioner, I frequently see parents who either are not aware that their children are obese or have little idea how to tackle the situation. It is alarming to note that some parents still say that their children have puppy fat, that they will grow out of it because it is just a phase, that it is because of the hormones or that it will be okay. Unfortunately, that is not the case, and more often than not obese children become obese adults.

Without question better surveillance is needed, but that will take us only so far. Although as individuals we are responsible for our bodies and our health, our freedom to act is often constrained by the nature of our built environment. That is why I want work to be done much more closely with other Departments and across government. Not only our built environment, but our income, our access to transport, the nature of local retail markets and a myriad our social and economic circumstances all come to bear on this issue.

A parent may be fully aware that their child is at risk of becoming obese and they may be fully committed to preventing that from happening or to tackling it, but if they live in a house that is separated from the nearest park by a busy road, or they are reliant on local convenience stores that sell energy-rich food but do not necessarily sell much fresh food, their ability to sort out their child's obesity problem is limited.

As a consequence, the state, as Lord Krebs made clear in his excellent foreword to the recent Nuffield Council on Bioethics report on public health, has an ethical responsibility to intervene and remove the constraints limiting one's ability to live a healthy life. In that sense, state intervention should be seen as a means of empowering individuals and of maximising their freedom to live a healthy life rather than, as some critics tend to say, as an unwarranted state interference in people's lives.

What form of intervention should the state undertake? The Government need to consider a range of supply side issues. Educating children about healthy eating and healthy living in school together with infrastructural measures aimed at enabling people to undertake more physical activity are obvious supply side factors. Other, more contentious interventions, such as a complete ban on the advertising of food and drink products that are high in salt, fat and sugar during TV programmes are

justifiable. A complete ban will give children—the most vulnerable members of society—the freedom to make informed choices for themselves based on information on healthy living that they receive from schools rather than on undue influence from food and drink manufacturers.

Providing people with the opportunity to develop the necessary life skills and the right resources to live healthily is not necessarily enough in itself to deliver a meaningful reduction in overall obesity levels. People often have the necessary motivation to live healthily and possess the necessary skills to do so, but unless they live or work in an environment where there is an established culture of living healthily, there is a good chance that they will never be able to reach their goals. If a community is dominated by people in full-time employment who drive to work each day at 8 am and close their front door when they return home at 6 pm, as happens in many communities, simply providing better sporting facilities and more opportunities will not be enough to change people's habits. The chances are that if our family, friends, neighbours and peers do not exercise, we will not either.

What can we do about that? In order to achieve a paradigm shift in society, public health policymakers around the world are increasingly experimenting with social marketing strategies aimed first at marginalising antisocial, unhealthy behaviour and secondly at embedding healthy behaviour in the fabric of people's everyday lives. They would argue that until an activity becomes a normative behaviour and is firmly entrenched in people's lives, so much so that they do it as a matter of course, we cannot judge a policy intervention to be a success.

Smoking is a prime example of that. Whereas once it was seen as an unremarkable practice, or occasionally even as a socially desirable one, in many public areas smoking is now a marginalised activity—in public spaces it is illegal. We need to take a similar approach on physical activity. That is particularly important at school level where for a child to be seen as fitting in and making sure that they do not miss out on something is of paramount importance to their sense of well-being.

We have to turn that herd instinct to our advantage. Instead of its being socially desirable to be driven to school and socially undesirable or abnormal to walk, we have to try to turn that perception on its head. It is perfectly possible, for instance, to imagine children insisting that they be allowed to join the walking bus to school because that is where all their friends are and where all the social intercourse takes place. Children who are driven to school could feel that they are missing out on an essential part of their upbringing. If we can change the children's perception in that way, we will see a genuine shift in behaviour. If that becomes a normal way to travel to school, parents will also be less concerned about the obvious potential dangers of walking.

I can see similar examples all over my constituency. People are social beings. We follow the crowd. We ignore empty restaurants and go to full ones. We do not sit down on an empty bench in an empty park because that looks odd, so instead we go to busy parks and sit on benches where other people are sitting. Huge amounts have been spent to create new public spaces in my constituency, but little thought has been given to how they will be used. It is pointless to create them if they do not deliver. Concerns about security, blind spots, lighting and the possible presence of antisocial users mean that normal people tend to avoid such spaces—except on special occasions when an organised event takes place.

The problem is that when we plan and construct our built environment and leisure spaces, we do not think enough about how—or indeed whether—they will be used by the people they have been created for. Or alternatively, we make assumptions about how they will be used without actually going to the trouble of asking potential users what they want. In many cases, that is because of time and cost issues. A developer will often choose an off-the-peg design because it is the easiest thing to do, and keep stakeholder consultation to a bare minimum, because that can also be difficult. Involving the local planning authority also saves time and avoids expense.

Because bad design is so rarely challenged—and almost never on public health grounds—highly questionable design principles that have never been properly tested become established design conventions that continue to be followed by planners, developers and designers, because that is the way that things have always been done. Consequently, the majority of new developments that are built in this country contain vast areas of unused, unloved, badly planned, dead public space. Only the roads are used regularly. The cumulative cost of those mistakes in social, economic and health terms is colossal. We can and must do something about that.

In many cases it will mean sweeping our established design principles off the table and engaging with users at the very start of the design process, rather than seeing the consultation process as merely a tick-box exercise. Public health professionals also need to be engaged in a meaningful way from the start, rather than simply being invited to comment on established plans. That is blue-sky thinking and it will certainly be more expensive, but if it helps to produce a happier, healthier, more active and socially engaged community in the long term, the savings will more than outweigh the initial costs. I hope that during the Bill's passage we will be able to envisage, and possible even enshrine in the legislation, how cross-departmental government could deliver some of those aims.

Another issue in which I have an interest, as chair of the all-party parliamentary pharmacy group, is pharmaceutical services. The hon. Member for Romsey (Sandra Gidley) has already laid out some of the concerns of some pharmacists about the change in regulations, and I echo what she said.

Mr. Stephen O'Brien (Eddisbury) (Con): I wish to help the hon. Gentleman out. He rightly declared his interest as a practising medical practitioner at the outset of his speech, but before he addresses the issue of pharmacy, he might wish to remind the House of his entry on the Register of Members' Interests concerning overseas visits.

Dr. Stoate: I certainly refer anyone who is interested to the register. I have been on pharmacy-funded trips in the past to take part in international debates and they are registered fully.

There are concerns about the global sum being transferred straight to PCT budgets. Although the

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Pharmaceutical Services Negotiating Committee has welcomed the creation of a single funding stream as a means of simplifying funding arrangements, many pharmacists and pharmacy organisations have one or two concerns. Those include whether in times of financial difficulty the PCT might be able to move money away from pharmacy services to other services if it felt that that was necessary. That would be regrettable and, with pharmacists doing more and more clinical work—and being asked to engage more in front-line clinical services—there should be some way to ensure that money given to PCTs through the global sum is protected to ensure that it does not happen.

The hon. Lady also mentioned the new regulatory procedures. The Royal Pharmaceutical Society wants confirmation that the transition to a new regulator will be managed properly, will be adequately funded and will utilise the unrivalled experience of many individuals and organisations that play an important role in pharmacy. I ask the Minister to ensure that the process includes full consultation with the profession and all stakeholders in pharmacy.

7.45 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I am pleased to follow the hon. Member for Dartford (Dr. Stoate), who is the only practising member of the medical profession in the House. I congratulate him on his speed of delivery, which means that he gets through a vast amount in a short time, which is very welcome. I cannot promise to go as fast, but I shall not take much longer.

I shall confine my remarks to parts 1 and 5 of the Bill. I shall not touch on the public health issues in part 3, because they are widely welcomed, nor on the regulation of the professions in part 2, because it has been widely covered and some of my concerns raised. Even though I am retired, I am still perhaps a little too close to the profession to avoid being accused of partisanship.

Part 1 relates to regulation of health care organisations and the formation of the care quality commission. I have long been in favour of bringing together health care, social care and mental health care, so that is a welcome move. However, I have several worries. The first is that it is a huge task for one organisation to undertake. I am worried about the financial backing, the personnel and whether the resources will be available to make the body fully efficient. Secondly, the Bill is short on listing the actual duties of the new commission. The Picker Institute has produced a valuable briefing on the Bill, which states:

"The Picker Institute believes the principal duty of the regulator should be to promote the interests of patients, service users and the public with regard to the quality and safety of care services."

That is vital. The Secretary of State used the words "safety" and "quality of care" in his introduction, and the commission must satisfy those requirements.

I am also concerned about patient and public involvement. The Picker Institute suggests a user panel. The hon. Member for North-West Leicestershire (David Taylor) mentioned a citizens council and the hon. Member for South Cambridgeshire (Mr. Lansley) was worried about the lack of a formal structure for patient and public involvement. Why is there no mention in the Bill of Local Involvement Networks—LINks—the organisation designed by the Government to take over from the community health councils and the patient forums that they abolished? LINks is the one body made up of ordinary individuals, patients and citizens that can translate their feelings to a regulating body. LINks should be at the heart of assessments of the quality and safety of care. It represents patients, and the NHS belongs to patients, so it is inexplicable that LINks is not mentioned in the Bill—I may have missed it, although I looked carefully.

The Minister of State, Department of Health (Mr. Ben Bradshaw): The simple reason is that LINks is already established under previous legislation. I am happy to talk about it at great length, but it is not required to be covered in the Bill.

Dr. Taylor: I thank the Minister for that intervention, but although we do not need to establish LINks, there should have been some acknowledgement in the Bill of its presence and importance.

LINks is in trouble over TUPE—the Transfer of Undertakings (Protection of Employment) Regulations 1981. It is not yet clear whether TUPE applies to staff in the Commission for Patient and Public Involvement in Health, who badly need to know about that issue before the commission is abolished. A letter to the Department of Health from the CPPIH asks two crucial questions, which I press the Minister to answer; even if he cannot not do so now, he should do so fairly soon, because the matter is urgent. The commission asks the Department to

"Provide its opinion on whether TUPE is likely to apply"

and

"Give explicit instruction to the CPPIH regarding the risks associated with TUPE and current redundancy plans".

If those points are not clarified by the time the commission is abolished it may run up a huge bill that it will be unable to pay.

My final point about part 1 relates to the Healthcare Commission and problems with the NHS complaints procedure that have been mentioned by other Members. The complaints process must be independent and fair, but with the removal of the commission from it we shall lose the automatic involvement of independent experts. In a complaint, especially where there are clinical problems, the involvement of knowledgeable, independent clinical specialists is essential.

Mr. Stephen O'Brien: The hon. Gentleman makes a powerful point about something that, as he knows, goes back a full eight years to the appalling loss of community health councils when they were summarily axed in England. CHCs were the one place where a complainant could be confident that there was an independent person to hold their hand and help them. That independence was important, as he says.

Dr. Taylor: I thank the hon. Gentleman for that intervention. Independence is crucial. That obligatory independence will be lost in the complaints process that will result from the removal of the Healthcare

Commission. It will be left to people in an internal complaints process to decide whether to include an independent view. Will they want to do so? Of course not. That is a huge weakness in the proposals. The hon. Member for Pendle (Mr. Prentice) pointed out that there would be a tremendous increase in the number of cases taken to the ombudsman. In a briefing, Age Concern noted that there could be a massive increase in the ombudsman's load if the proposals go ahead. I strongly press the Minister to write some independence into the proposed complaints procedure.

My final points relate to part 5. What may for me be the most important clause in the Bill has not yet been mentioned: clause 129, "Duty of Primary Care Trusts", which deals with the arrangements for improving the quality of health care. It reveals that for the last six years, since I have been a Member, I have been taking entirely the wrong approach to complaints. I have been tackling providers about the service that they provide, but clause 129 indicates that I should have been tackling the commissioners because they have the right to remove the service.

In the Queen's Speech debate on health, I described some of the appalling things that were happening in my patch and in others. Not long ago, I had a meeting with the chief executive and the chair of our primary care trust and I was encouraged. Even at that stage, the chair had received many complaints about the quality of care and was beginning to realise that it was the duty of the PCT as commissioner to point out the problems and try to get them rectified. I am pleased that clause 129 is in the Bill; it is short but it must not be lost, because it is crucial.

Clauses 132 and 133 relate to the weighing and measuring of children in England and Wales. Obesity in children has been mentioned by the hon. Member for Dartford, at length, and by the hon. Member for Romsey (Sandra Gidley). The Select Committee on Health held an inquiry into obesity in 2003-04. Recommendation 45 stated:

> "We recommend that throughout their time at school, children should have their Body Mass Index measured annually at school, perhaps by the school nurse, a health visitor, or other appropriate health professional. The results should be sent home in confidence to their parents, together with, where appropriate, advice on lifestyle, follow-up."

At the time, we were slightly attacked as it was thought our proposals would stigmatise obese children. I did not think that argument had any force at all because there was evidence that parents were unaware that their children had a problem.

The importance of public health issues, especially obesity, has been recognised for a long time. Public health came to the fore in the 1880s with the great recognition that bacteria caused disease. As time is not at an absolute premium, I should like to remind the House of Sir Walter Scott's words in the novel "The Surgeon's Daughter", published in the 1820s. He bemoaned the poor recompense for a Scottish village doctor compared with his English counterpart:

> "The burgesses of a Scottish borough are rendered by their limited means of luxury, inaccessible to gout, surfeits and all the comfortable chronic diseases which are attendant on wealth and indolence.
>
> There the mothers of the state never make a point of pouring, in the course of every revolving year, a certain quantity of doctors' stuff through the bowels of their beloved children."

As long ago as 1820, the problems of idleness and affluence were recognised. I do not say that we should return to poverty, but I welcome the Bill's emphasis on public health, especially the measures aimed at spotting overweight children—not to stigmatise them, but to tackle the problem.

7.59 pm

Mr. Charles Walker (Broxbourne) (Con): I am grateful to be called to speak in this incredibly well attended debate.

When I heard that there was to be a debate on health I had intended to talk about my constituency, to tell the House that it is important that Cheshunt gets an urgent care centre when the PCT reports back in a couple of weeks' time. I had planned to tell the House what a wonderful job my council has done in supporting health service infrastructure in Broxbourne—and long may that continue. However, I am not going to do that, because it has absolutely nothing to do with the Bill. It would be totally gratuitous of me to use this opportunity to get those things off my chest.

I would particularly like to focus on the work of the care quality commission. In my constituency, there is a growing loss of confidence in the NHS and in hospital care among sections of the people whom I represent. The NHS still provides high levels of service to the vast majority of patients, but over the past few years there has been an increase in hospital-borne and hospital-acquired infections. That is causing unease, and it is causing some to be fearful of being admitted to hospital. It is important to address those fears, because hospital is a place where people should go to get well. It is a place that puts people back on their feet, but if well-meaning people start to fear going to hospital, that will undermine confidence in the NHS, which will be to the detriment of us all.

Over the past few years, there have been a number of well-publicised—I will not call them disasters—very unfortunate events that have led to people dying unnecessarily. They occurred at Tameside in Manchester, and there have been problems with C. difficile at Stoke Mandeville, and most recently at Maidstone. I am trying to understand how we in this country have got to the position in which people die in hospital from diseases that are preventable. I admit that some bugs are developing resistance to antibiotics and other treatments, but the idea that people go to hospital and fall ill and die from disease is extremely worrying. I am trying to understand why the growth in the number of such illnesses has occurred over the past few years. The issue is important in the context of the care quality commission and its work in trying to identify the problem, disassemble it and then come up with solutions that actually work.

When I am canvassing in my constituency, I talk to a lot of people who work at Chase Farm hospital. As you may know, Mr. Deputy Speaker, the hospital faces a fairly rocky and uncertain future and I am met on the doorstep by nurses and orderlies who are often in tears when I speak to them about what is going on in their hospital and its future. They tell me about low morale, that people do not know whether they will have a job in a year's time and that it is difficult to recruit. They tell me about a lack of pride in the place, which is very worrying when set next to the fact that Chase Farm

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hospital has battled for many years against diseases such as MRSA. It is fighting bravely to remove them, but it would be much easier for the hospital to get to grips with such diseases if there was a sense of common and shared purpose among the staff. When the care quality commission considers hospital-borne infections and how standards could be improved, it cannot put to one side the fact that the morale in the hospital with which it is dealing is a contributory factor.

One example of where I think the NHS is making mistakes relates to the subject of nurse morale. I was talking to a nurse who had finished her shift for the day and was getting ready to leave. She noticed that an elderly lady in one of the wards had not been fed that evening. Being a conscientious nurse and a human being, she decided to stay on and feed her. The nurse knew that if she left, those on the incoming shift would not take it upon themselves to feed that elderly woman. The window of opportunity would have been lost, so the nurse stayed back in her own time and made sure that that elderly person had supper and nutrition. That is important, because we know that a number of elderly people in care do not receive proper nutrition. Indeed, some are starved to near death.

The nurse fed the elderly lady, got into her car and travelled 25 miles home. When she got home, she listened to her messages, including one from a hospital manager saying, "Please come back to the hospital, because you have not finished your paperwork." The nurse knows full well that such a message would not have been left if the elderly patient had gone unfed. If the nurse had done the paperwork, not fed the patient and gone home, nobody would have cared and that telephone call would not have been made. She has now left the NHS, which is a great loss to us all.

The care quality commission must not allow people to get off the hook of accountability. Too often in these debates, a smokescreen is thrown up about who is in charge and about contract cleaners. My view is that the chief executives are in charge of their hospitals and they have to take ultimate responsibility for their being well run. I know that chief executives work under very difficult conditions. They have targets imposed on them and they have to meet benchmarks and work extremely hard to keep Whitehall happy. However, that is no excuse, and it must never be an excuse, for allowing people to lie in their own faeces, to lie in their own vomit, to go unfed and not to be cared for. That is an abrogation of responsibility on the part of those chief executives.

Chief executives are paid considerable sums of money. Some earn well over £200,000, and with large sums of money come huge levels of responsibility. Too often, I feel that chief executives think that they are running a hospital well if they are sitting in their ivory tower surveying all those they command. I am not going to compare running a hospital with running a business; the two are very different. However, I will make the following comparison. Some successful people running enormous businesses make sure that they spend at least one day a week out in the business making sure that they know what the customer experience is like and that their customers are getting what they want. We need some more of that in the NHS. We should have strong management teams in the NHS that allow chief executives to get out of their ivory tower and their offices and to spend time on the shop floor.

Sandra Gidley: That is possible under the existing regime. The new chief executive at Winchester hospital makes sure that he eats hospital food under an assumed patient name once a week. He does a lot of things to be on the wards to see what is going on and carries out cleanliness inspections. Some would say that he should not have to do that, but that approach seems to be delivering results and more could learn from that lesson.

Mr. Walker: The hon. Lady has made an important point. Some say that that should not be the case; I say that it absolutely should be the case. We need to see chief executives on the wards.

Before the hon. Lady helpfully intervened, I was about to say that I was amazed when we were shown pictures of Maidstone hospital and saw the filth and the squalor that were allowed to go unaddressed. Any serious senior manager worth their salt would have dealt with that. What we saw was disgraceful. As I have said, with responsibility comes leadership and we need leadership in the NHS.

Ideally, I hope that the care quality commission will be a passing phenomenon. I hope that we have it for five or six years, but that there will then be chief executives of sufficient quality to mean that it is accepted that hospitals are of such a uniformly high standard that we do not need to burden them with more regulation and more inspection. Until that time is reached, I very much see the need for the commission.

In my final couple of minutes, I wish to deal with the issue of obesity and the weighing and measuring of children at school. Obesity is a huge problem. Short of people just closing their mouths and not eating, it is very difficult to address. I do not mean that flippantly because, in particular, we need to address the problem of obesity in children. Obesity in childhood can have an impact on a person's health outcomes throughout their life and place additional costs on the NHS. Perhaps the Minister can explain matters further either here or in Committee, if I am lucky enough to serve on it—that is not a hint, because I am very busy at the moment. *[Interruption.]* That was an own goal.

We weigh and measure children at school, but to what end? Is it just another form-filling exercise, or is there a strategy to utilise the information and make sure that our young people and their families get the support that they need to live healthy lifestyles and lose weight? We cannot really remove exercise from the equation. Many teachers in my primary and secondary schools give up huge amounts of their personal free time to lead sports activities in the afternoon or evening. We need to encourage more teachers to do that, and if need be, we should make it worth their while financially.

Mr. Deputy Speaker, you have indulged me on occasions this evening and I thank you very much for your patience.

8.10 pm

Hywel Williams (Caernarfon) (PC): I am pleased to make a contribution to this important debate. I accept

that, to an extent, the Bill focuses on the health sector and health care. However, I am a former social worker, a former teacher of social workers, and a one-time member of the Central Council for Education and Training in Social Work in Wales. I echo the words of the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble): it is important that social care is not lost in the emphasis on health. The voice of the user must not be lost, either. That is one of the fundamental principles of social work and social care, and certainly something to which I attached great importance when I was teaching.

Much of the Bill applies to England, but there are some points that are particularly relevant to Wales. I want to emphasise that there might be some cross-border issues and I seek reassurance from the Minister that they have been taken fully into consideration. The Welsh Affairs Committee is mindful of the implications of cross-border issues for health care in Wales and will conduct an inquiry early in the new year.

There are particular arrangements in Wales. I would like reassurance that, for example, any implications of changes to the inspectoral arrangements in England have been taken into consideration. In Wales, we have our own body for regulating social workers: Cyngor Gofal Cymru, or the Care Council for Wales. It is separate from the General Social Care Council and operates on its own. Both bodies were set up under the Care Standards Act 2000. The Care Council is, like the General Teaching Council, a devolved body. However, the Care Council operates in the same area as the corresponding body in England and I am not wholly convinced that the operation of one will not have some influence on the operation of the other.

The care quality commission in England will combine health and social care and inspection. As I have said, I am concerned about whether there will be implications for the inspectoral arrangements in Wales, particularly on a cross-border basis and when staff move from one employer to another across the border.

The Care Council for Wales has a productive interface with health in Wales. There are regular meetings and training matters are discussed. However, it is important to realise that the work of the Care Council for Wales is not just focused on health. Its work also involves education, housing and community development matters. It works to a social model, not a health model. The care quality commission in England will combine health and social care inspection. Will the Minister let me know, either later or by means of a letter, what, if any, implications the Bill has for the inspectoral arrangements in Wales and the Care Council for Wales? Have there been discussions with the National Assembly Government and, if so, what were the conclusions?

I have a particular example. Should the Care Council wish to change, vary or develop its work, I take it that that could be achieved through regulation, under clause 114. I note that clause 115 states that the standard of proof that is to be applied may not be varied in Wales, as compared to England. Will the Minister confirm that the power through regulation will be sufficient and that there will be no need to transfer legislative competence over the Care Council for Wales to the National Assembly? Will there be a need for legislative competence orders? They are already coming through and can take some time. Has he had any discussions with the National Assembly for Wales on the matter? I might be worrying unnecessarily, but I would value an assurance from the Minister.

Clause 116 is on the training of mental health professionals. The regulation-making power for that lies with the Care Council for Wales. It is a Welsh matter, but again I hope that the Minister or his officials have had the opportunity to discuss it with the National Assembly. I am going into some detail, but I not seeking a place on the Committee. The Bill is largely concerned with matters in England.

My second group of concerns is about the Welsh language and the implications under the Welsh Language Act 1993. The provision of services by a public body is subject to the Welsh Language Board and operates under a Welsh language scheme that has been approved by the Welsh Language Board. I am thinking in particular of developing needs in relation to mental health. When people are assessed for compulsory admission, a language choice is available. To some extent, that will be a matter of regulation for the Care Council for Wales. However, the Mental Health Act Commission is being merged under the Bill. I want to be reassured that Welsh language issues have been taken into consideration.

I think great changes are going to be carried out in relation to mental health legislation in Wales. I mentioned compulsory admission. There is going to be a legislative competence order, which we hope will transfer to the National Assembly the right to legislate in this area. That is being proposed by a Conservative Member of the Assembly. The point is that the care quality commission will take on the duties of the Mental Health Act Commission in Wales and I want to be reassured that it will have a Welsh language scheme from day one. There was a discussion some time ago when the Children's Commissioner for England was set up and had some duties as far as children in Wales were concerned. I had a long session with the relevant Minister to try to persuade her to set up a Welsh language scheme from day one. After 13 questions, she agreed to write to me, and eventually we got a Welsh language scheme. However, that scheme needs to be there from day one. After all, patients will have concerns from day one, particularly on the difficult matter of mental health.

There is considerable expertise in Wales on language matters, particularly in relation to social care and mental health. Looking at schedule 9, it seems that the principles of the Welsh Language Act should underpin provisions such as paragraph 2(e), which refers to standards of conduct, and paragraph (9), which imposes conditions for regulation.

I look to the Minister for reassurance that those particularly Welsh issues have been taken into account. Generally, I welcome the Bill, as other Members have.

8.19 pm

Angela Browning (Tiverton and Honiton) (Con): I apologise to the House for the fact that I was not present at the beginning of the debate, but I wrote to the Speaker last week to explain why I would be late. I meant no discourtesy to the House. I have a particular interest in the Bill and I wish to make a brief contribution on Second Reading.

[Angela Browning]

When merging the Mental Health Act Commission, the Commission for Social Care Inspection and the Healthcare Commission, I hope the Government will take on board the fact that there is such an overlap of service out there, and rightly so. The service that we should seek to provide, particularly for patients, should be seamless, but despite the Government's best efforts to merge health and social services, we all still come across a great deal of casework in which it is difficult to take matters forward because of the glass walls that seem to exist between areas of responsibility.

The care quality commission that the Bill creates will be responsible for inspection and standards and will, we hope, facilitate crossover and ensure the seamless delivery of services. If the system is too compartmentalised, people's conditions and the difficulties that they are encountering will fall down the middle. I am sure the Minister will take that on board. We need to address the matter, not least because, in the context of inspection, there are some groups for which we will have to provide to make sure that the services that are delivered to them and the way in which those services are delivered do not disadvantage them. I shall give two quick examples.

Across health and social services, we talk about adolescents, but whether we are talking about physical health, mental health or social services, all too often adolescents find themselves in inappropriate situations because sometimes it is difficult to judge whether children's services or adult services are best for them, for obvious reasons. They are young people going through the transition from childhood to adulthood, and tailoring the services and the quality of the service or care that they are given can be a difficult call for professionals. I hope the Minister will accept that whatever system is put in place when the care quality commission comes into being, it will need to address the particular circumstances of adolescents and ensure that the service meets their needs and that the inspection reflects the issues.

Another aspect of the care quality commission that I want to raise with the Minister is the fact that the Government want to take away from the people responsible for inspections the right to look into second stage complaints from individual patients or, occasionally, patients' relatives. Although the Bill does not focus primarily on that, will it give substantial reassurance about the system that is likely to replace that? I know that the Government are going out to consultation, but many of us feel unhappy that something is being taken away before we have a clear idea of what will replace it. I hope the Minister will address that.

Another issue that I shall touch on is the extension of direct payments. I declare an interest, as I am responsible for assisting a dependent adult relative who is the recipient of direct payments. I take co-responsibility with him and help him to complete his forms. I have been a great advocate of direct payments so I welcome the extension proposed in the Bill, but I flag up a concern. Apart from my constituency casework, wearing other hats I get involved in other casework around the country. Some authorities administer direct payments well, and others do not. Some seem to think that that is a cheap option.

Some authorities could serve as models of best practice from which others could learn. Will the Minister consider looking at those that perform particular functions well in order to encourage the others to go and learn? For example, I mentioned that I helped with paperwork. In the authority that I deal with—I should tell the Minister that it is not an authority in Devon—the process has been made so simple that it is a joy to undertake. In some authorities, however, where people have been asked to make arrangements to buy in their own services, existing services have been removed and people have been left floundering, trying to find out where they can buy in.

The extension that the Government propose deals particularly with extending direct payments to those who lack capacity. They will be least able to shop around without a little guidance, not least to ensure that they are buying from a bona fide provider. We all know the difficulties for those who lack capacity, especially if they are not assisted by an immediate carer. Not all of them have an immediate carer to guide and assist them in buying in their package. Direct payments are a great idea, but one or two details need tidying up in order to improve the service, especially if it is to be extended to that group.

I was not in the Chamber earlier, so I shall not dwell on my next point. I flag up to the Minister a concern about clause 145, which deals with electronic records. I am sure that my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) on the Front Bench and others raised the matter. In the light of recent events, there is clearly a need to get the provisions spot-on. I hope the Minister will go back to the drawing board to make doubly sure that this part of the Bill will be a new dawn in the collation and management of electronic records.

The House has been generous in allowing me to speak, even though I was not present earlier. I have one further point. Across health and social services, there is one group of people who worry us all enormously. In his speech my hon. Friend the Member for Broxbourne (Mr. Walker) touched on the care of the elderly. There are issues such as end-of-life care, of which we have all had experience in our personal lives or in the casework that we have dealt with.

The Government should focus on the inspection and delivery of end-of-life care. Very elderly people, often unsupported by immediate family or friends, struggle when they go into hospital or into residential or nursing care, at a time of their life when the service should be a Rolls-Royce service. If we do not give priority to people at the very end of their life, that is an indictment of us as a society and as a country. I hope the Minister will bear that in mind when he brings the Bill to the Committee.

8.27 pm

Mr. Stephen O'Brien (Eddisbury) (Con): It is a privilege to follow my hon. Friend the Member for Tiverton and Honiton (Angela Browning), with her deep commitment and expertise in health and social care. I pay tribute to all that she has done to help all of us in the House, without fear or favour, to chart our way through difficult and sensitive matters.

We have had wide-ranging debate this evening, as befits such a wide-ranging Bill. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) called it a portmanteau Bill. My right hon. Friend the Member for Witney (Mr. Cameron) has made it clear that when the Government are doing the right thing for the country, we will work with them. Indeed, we will encourage them to go further, where that is the right thing to do.

In some crucial areas the Bill does not go far enough. Although we support it in principle, and do not intend to divide the House on it tonight, we look forward to developing the Bill to benefit patients and front-line health care professionals, not least by importing aspects of our own White Paper, which we have already published—although I shall, of course, try to stay in order. I am aware that Ministers have been provided with copies, which I hope they have read from cover to cover. We have published the NHS autonomy and accountability Bill, which, unusually, we will introduce during this Session. We want to include, at last, our proposals for a genuine patients forum that has teeth and independence—HealthWatch.

We looked in vain in the Bill for the vision and the overarching transformation, the prospect of which the Prime Minister, on taking office recently, highlighted. However, so far we have been disappointed, as was rightly noted by my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) in an analytical and powerful speech; I hope that we shall have his cogent participation in Committee. My hon. Friend was right to observe that the Bill is no testament to the Prime Minister's aspiration for a vision—if, that is, he is still looking for one.

It is also worth noting that of 161 clauses, 38 depend on future regulations, the majority of which will be subject to the negative procedure. It is a great shame that the Government are too nervous, or lack the confidence, to bring forward a substantive debate on the Floor of the House on many of the measures. We shall seek to debate them in Committee, and I hope that the Minister will make available to the Committee in good time the draft regulations and examples, so that we can debate the best interests of patients and the public, rather than the leviathan power of the Secretary of State.

It would have been helpful of the Minister to have started by demonstrating his good intentions and informing the official Opposition that he was publishing today—the day that we are debating the Bill—the draft section 60 order. He did not mention that to me at the briefing meeting that we had a few days ago. I hope that he will be able to make up for that lack of foresight.

We might also note that 10 of the major provisions in the Bill do not carry an impact assessment, including the creation of the office of the health professions adjudicator, the health in pregnancy grant and the devolution of the pharmacy global sum to primary care trusts. One has to wonder whether the Government think so little of their own policies that the impact is not worth assessing. More worrying is the question of whether the work has been done, and is available for scrutiny by the House.

The hon. Member for Caernarfon (Hywel Williams) discussed cross-border concerns. As an MP with an English constituency that borders Wales, I am all too well aware of the complexities and difficulties, and the fact that citizens on both sides of the border often seriously feel that there is a lack of fairness in respect of the health or social care provision that they receive.

Rob Marris: The hon. Gentleman has been following the Bill a little more closely than I. Can he tell us whether there is a legal aid impact assessment, which I believe all Bills should have? There may be a legal aid aspect; people may go to the new body for assistance with judicial review, for example.

Mr. Barron: Declare your interest.

Mr. O'Brien: The Chairman of the Health Committee has just said that I should declare an interest: recorded in the Register of Members' Interests is the fact that I am a non-practising solicitor.

Mr. Barron: I was talking to my hon. Friend the Member for Wolverhampton, South-West (Rob Marris).

Mr. O'Brien: I do not know what the current status of the hon. Member for Wolverhampton, South-West (Rob Marris) is in the law.

I hope to develop this point a little later, but it is interesting that the proposals are not clear about whether somebody subject to the adjudication process has rights of representation. They might need to avail themselves of legal aid, irrespective of the hon. Gentleman's point. I have not seen whether there is a legal aid impact assessment, but the fact that I did not see one on my first reading did not surprise me.

I should like to highlight the point made by my hon. Friend the Member for Tiverton and Honiton on the direct payment extensions. There is unquestionably a lot to be done to iron them out so that they are smooth-running. However, there is no question but that as a matter of principle they are the right way to go when they fit the circumstances of both the cared-for person and the person who assists. Most importantly—and this point cross-refers to other elements of the Bill—my hon. Friend was absolutely right to highlight the fact that the Government have not put forward proposals for benchmarking and the transfer of best practice. That proposal was extremely constructive. I hope that we may have the benefit of hearing more about it if my hon. Friend is lucky enough to be considered to serve on the Committee.

In his authoritative and all-encompassing speech, my hon. Friend the Member for South Cambridgeshire made clear our position on the care quality commission. *[Interruption.]* I did have to say that—because my hon. Friend's speech was considerably more impressive than the Secretary of State's. The Government are moving in the right direction, but they have not gone far enough, as I have said. In the simplest analysis, the CQC will not be independent of Ministers, despite the Secretary of State's claim. As the hon. Member for Wyre Forest (Dr. Taylor) observed, the legislation fails to set out the commission's core duties and responsibilities beyond the most anodyne of statements coupled with a crude fining system. At this point, we should note the genuine demand for the seamlessness mentioned by my hon. Friend the Member for Tiverton and Honiton.

[Mr. Stephen O'Brien]

I hope that the Minister will take the opportunity to answer the question put by my hon. Friend the Member for South Cambridgeshire. It was about the Appointments Commission, which is currently responsible for the appointment of the chairs of the Healthcare Commission and the Commission for Social Care Inspection. In his answer, the Secretary of State said that that would not be the case for the CQC because the job was so important that it could not be left to the Appointments Commission. That answer was most surprising, and I dare say he may reconsider it.

Until our proposals for an NHS autonomous of ministerial meddling, with separate and independent quality and independent regulators to support it, are delivered, the Bill will do little more than bring about an amalgam of existing bodies, with their existing constraints. Furthermore, without a strong national patient voice, that regulator will lack the necessary checks and balances to operate most effectively . We hope that the Bill provides the opportunity for us to seek to strengthen LINks to provide that.

The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) rightly advocated listening to the voice of the user. The hon. Member for North-West Leicestershire (David Taylor) advocated the use of citizens councils; that idea might go a little further than most of us would wish. However, I hope that his point is at least explored in Committee so that we can discuss its merits and demerits.

Another question was raised that remains unanswered; perhaps the Minister will take the opportunity to answer it when he winds up. In the development of the new institutions, the complaints system is effectively being taken back fully in-house. There is a big question mark about the absence of true independence; a question was raised about whether the health service ombudsman has the capacity to deal with the anticipated higher incidence of complaints that will find their way to his desk. That point, too, was emphasised by the hon. Member for Wyre Forest. I hope that the Minister will clarify the issue.

Many organisations have expressed concern that the experience built up by the Mental Health Act Commission, the Commission for Social Care Inspection and the Healthcare Commission will be lost. We shall seek assurances from the Government that the establishment of the CQC will not mark yet another year zero, particularly given the continual upheaval that the Government have brought to social care regulation. My hon. Friend the Member for Broxbourne (Mr. Walker) made a serious and passionate speech in which he made it clear that we also need to make sure that the Government give assurances that the social care and mental health responsibilities of the CQC will not be squeezed out by its Healthcare Commission-type functions. For example, have the Government made allowances for the impact of community treatment orders on the work of the MHAC? What work will the CQC do in prison health care? That point has not been raised. We should consider the point, raised by my hon. Friend the Member for Worthing, West (Peter Bottomley) in his excellent and comprehensive speech, about the appropriate use and deployment of magistrates under the Bill.

My hon. Friends have deplored the Government's failure to combat health care-associated infections effectively. That the Government are embarrassed by that is clear from the fact that the relevant provisions are buried deep in the Bill. However, we guarantee—as will others from across the House, I am sure—to make sure that Ministers are engaged in a frank and open debate as we go through the Bill's parliamentary stages.

As for professional regulation, we want proportional regulation that protects patients and the public, as well as innocent doctors. My hon. Friend the Member for South Cambridgeshire flagged up our debates on the role of the office of the health professions adjudicator. If Ministers believe in self-regulation, as we do, why is the OHPA required? We must leave that question hanging for them to answer, today or in Committee. It was interesting to hear from the right hon. Member for Rother Valley (Mr. Barron) about his experience of serving on the General Medical Council, which raised the question of why it is necessary to have another body in addition to developing the role of the GMC. His speech was restricted to that subject, but I hope that as Chairman of the Health Committee he will devote some time to, and take equally seriously, the social care aspects of the Bill.

Rob Marris: Does the hon. Gentleman agree that we need state regulation of psychotherapists?

Mr. O'Brien: I might have to lie on the couch to think about that. I do not see it as being within the scope of the Bill—far from it. It is the subject of numerous submissions and considerable argument, and it would be much better for us to discuss it in a rather more serious and considered way than in this very short exchange.

My hon. Friend the Member for South Cambridgeshire has helpfully found an assurance for the hon. Member for Wolverhampton, South-West on his earlier intervention about the legal aid test. I draw his attention to annexe C1 of the impact assessments document, which says:

"As stated in the evidence base, it is not expected that the number of orders made to a justice of the peace, (currently approximately 10 orders per year) or the numbers of prosecutions (currently none brought) will significantly increase. Therefore there is likely to be little impact on the work of the courts. Consistent with this, there is likely to be little impact on legal aid."

It does not address the question of the impact on the health service ombudsman, who would be the point of appeal of last resort.

There is another matter that we need to be clear about as regards professional regulation. We know for sure that strong submissions will be made to the Committee about the proposals on the standard of proof. I reconfirm that we support the change from a criminal to a civil burden of proof in principle, but the Government have not yet provided clarity on the flexibly applied nature of the imposition of the new standard. We will not only seek to draw out the likely impact of the changes but seek assurances on the application of the sliding scale. I submit that evidential proof should be to the civil standard but, given that the ultimate sanction is to deny somebody their living, the procedural rules should be as for a criminal case, where someone knows the evidence against them well in

advance and has the opportunity to test it extensively. I also hope that the Government will entrench in the Bill a more positive approach to professional regulation, bringing greater opportunities for benchmarking and professional development.

Hon. Members raised several points about public health and health in pregnancy. My hon. Friend the Member for Guildford (Anne Milton) will take those matters through Committee, so I shall leave them for her to develop extensively. Interestingly, the miscellaneous provisions are quite substantive. In its breadth, the Bill gives us an opportunity to debate several key issues regarding the provision of health and social care. Sadly, the solutions proposed by the Government do not appear to be sufficient or sufficiently focused. That is true of this Bill as of so many others. That gives us the chance to try to improve it immeasurably, and I hope that we can do so for the sake of the future health care of our constituents, patients and the public. It is our social responsibility to give them the social care that they deserve.

8.43 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): This has been a wide-ranging, well informed and constructive debate. I am pleased that the main provisions of the Bill appear to enjoy broad support across the House, and I look forward to debating them with hon. Members in more detail in Committee. I will try to respond to as many of the points raised during the debate as possible, but if I omit some I will endeavour to write to hon. Members with the answers to their questions.

My right hon. Friend the Member for Rother Valley (Mr. Barron), who is Chairman of the Health Committee, made an interesting speech based not only on his chairmanship of the Committee but on his long-standing membership of the General Medical Council. I listened with great care to what he said and hope to use a lot of it when dealing with the detail in Committee. I am pleased that he welcomed the broad thrust of the Bill. He also welcomed the move to an integrated regulator. I entirely agree that that transition needs to be handled with care, as other hon. Members said. I also noted his welcome for the reform of professional regulation based on his GMC experience. I agreed with everything that he said about that. He rightly pointed to the important role of responsible officers. They were not explicitly mentioned in Dame Janet Smith's inquiry, but, in response to a point made by the Opposition spokesman, I can say she dealt with what they will deliver in her recommendations. As my right hon. Friend alluded to, having responsible officers should mean that we can avoid the situation where many cases that could be managed and resolved locally have to go to the top. I hope that we all welcome that.

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), who is the chair of the all-party group on this matter, spoke with a great deal of expertise about social care. She welcomed much that was in the Bill, such as health in maternity grants and the direct payments, although she wanted those to be handled with care, as did the hon. Member for Tiverton and Honiton (Angela Browning). I absolutely agree with her about that. She raised a concern that several other hon. Members raised, and the Commission for Social Care Inspection has raised it with me at several meetings. I hope that I have reassured the commission that the integration of the three regulators will not mean that it or the mental health body are overwhelmed by the health body. Both now and in Committee I hope to give my hon. Friend the reassurances she seeks. She is absolutely right about the need to handle carefully the integration of the different cultures involved. She was right when she said that the social care sector brings something new to the party—something from which the health sector can learn. I will take on board her remarks when the Bill passes into Committee.

My hon. Friend used the term "light touch", and it was used by one or two other hon. Members as well. I prefer to use the term "risk-based and proportionate". Having read the Bill, she may have noted clause 2. I hope that it will reassure her on the issue of vulnerable people because it makes it clear that the new regulator must pay heed to the safeguarding of vulnerable adults and children in the fulfilment of its duties. She also asked about self-funders. I have discussed that matter with the Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), and we recognise the issue. We are considering how we can use the regulatory powers in the Bill to address the matter as it passes through the House.

The hon. Member for Worthing, West (Peter Bottomley) made a very positive contribution on public health, and on how the health in pregnancy grant needed to be seen in the context of public health more generally, including pre-conception health. I entirely agree with that. He pretty much supported the changes that will be made to regulation. He raised a point that was made by Liberty. I am afraid that I have not had sight of that, but I will find out about it, and write to the hon. Gentleman and Opposition Front Benchers about the role of magistrates and detention. I assure him that the consultation will be genuine.

My hon. Friend the Member for North-West Leicestershire (David Taylor) spoke largely about the role of citizens councils. I hope that the new regulatory regime in the Bill will provide him with the reassurance he seeks, but I shall reflect on the suggestion that he made about the role of citizens councils, particularly under the auspices of the Council for Healthcare Regulatory Excellence. I am sure that he realises that the lay membership of the CHRE is being reduced because the overall membership is being reduced. The regulatory representatives are leaving because we do not want it to be a body that is made up of such representatives; we want it to fulfil a slightly different function. It will be smaller, and I shall certainly look at his idea. The CHRE has a duty under the proposals to consult the public and organisations representing patients' interests, so there may be scope for considering it.

The hon. Member for Preseli Pembrokeshire (Mr. Crabb) was critical, slightly unfairly, of the health in pregnancy grant. Other grants are already available that address some of the issues he referred to in relation to early pregnancy, and they are means-tested. There is evidence to suggest that mothers, particularly the less well-off, spend money that they are given in the interests of their children, both born and unborn. There is evidence from countries that grant similar help—Finland, Belgium and France—that it addresses the serious problem of low-weight babies, which, I am

[Mr. Ben Bradshaw]

afraid to say, we still have in this country. We do not have a very good record on that. His point about termination was another argument for making the grant at 25 weeks, if I may put it like that.

My hon. Friend the Member for Dartford (Dr. Stoate) raised wider issues of obesity, most of which are outside the scope of the Bill, but it was still a good speech. I agreed with almost everything he said. As a former chairman of the all-party group on cycling, he would expect no less. I hope that some of the issues that he raised will be addressed more comprehensively when we come to publish our forthcoming obesity strategy.

On the issue of pharmacy and the global sum, which was also mentioned by the hon. Member for Romsey (Sandra Gidley), I hope that I can reassure my hon. Friend that PCTs will not simply be able to siphon off the funding for pharmaceutical services or to vary nationally negotiated fees and allowances for essential and advanced services. They will continue to be set nationally. I am intensively engaged with the pharmaceutical representatives, as is my right hon. Friend the Minister of State. When we come to publish the White Paper there will be huge possibilities for pharmacy and for pharmacists, particularly in primary care, to deliver the vision that is shared by both sides of the House.

The hon. Member for Wyre Forest (Dr. Taylor) welcomed the move to an independent regulator. He said that we were short on listing its duties but I refer him to clause 2, which lists those duties fairly comprehensively. A balance must be struck when setting up an independent body as to how much one can dictate its duties and how it is expected to fulfil them. We have struck a good balance with the duties that we expect the regulator to fulfil and how it should go about them. We do not want to put it in too much of a straitjacket, because that would compromise its independence. We are trying to strike the right balance.

The hon. Gentleman managed to spot an important element of the Bill that was not spotted by anyone else. That was the role that the commission will play in PCTs and commissioning, which is vital if the new independent body is to have the role that we think that it needs. The current body does not have that role. The hon. Gentleman was right to highlight the importance of that.

We dealt with LINks during the hon. Gentleman's speech. LINks do not come within the scope of the Bill, as they are already on the statute book. We have told the Healthcare Commission that we expect the new regulatory body to work closely with LINks on inspections and on how it goes about its work. The body should consult LINks and work closely with them. The commission will have a duty to have a panel made up of patients' representatives to advise it. I have not had sight of the TUPE issues, but I shall find out about them and write back to him.

The hon. Gentleman also talked about complaints, as did a number of other hon. Members. I think that I share their concerns. There should be recognition from all parties that the way in which a lot of health organisations on the ground handle complaints is not great. We want to try to reduce the number of complaints that are not handled well locally. The ombudsman—we should say ombudswoman in this instance—will deal with second stage complaints. We have discussed capacity with her and she is satisfied that she will not be overburdened, but we will have to deal with those issues carefully.

We did not want to burden or slow down the work of the important new regulatory body, whose main priority will be safety and quality for patients, by making it deal with complaints. That should force us all—and the health service in general—to do a better job of dealing with complaints. Of course, the new care quality commission will have a role in deciding whether organisations deal with complaints properly. Nothing will stop a patient from making a complaint as in the example of Cornwall. That led to an important and far-reaching inquiry.

The hon. Member for Broxbourne (Mr. Walker) rightly recognised the important role that the care quality commission will play in helping to continue to drive down health care-acquired infections. The hon. Member for Caernarfon (Hywel Williams) asked about a number of Welsh issues. I am assured by my officials that they have worked closely with Welsh colleagues and that we have agreement with Welsh Ministers on those issues on which we will need to agree. I am assured that we have been taking the Welsh language issues seriously, too. I shall write to the hon. Gentleman with clarification on the other detailed points about the Welsh perspective that he mentioned.

I do not begrudge the fact that the hon. Member for Tiverton and Honiton was late. She made an important contribution as always, based on her long personal experience, about the need for seamless service and a seamless system of inspection. It is right that we should focus on that when we discuss the issues in more detail in Committee. She also mentioned complaints, which I have dealt with. She supported direct payments, which I was pleased to hear, but she thought that best practice needed to be learned from. I agree entirely. The new regulator may want to consider how practice can be improved across the piece to bring the performance of those local authorities that are not as good up to the level of the rest.

The hon. Member for Romsey, who speaks from the Front Bench for the Liberal Democrats, broadly welcomed the Bill but did not believe that there should be a one-size-fits-all approach. I agree. The new commission needs to take a proportionate, risk-based approach that takes on the strengths of the three existing organisations. It needs to be sensitive to their strengths and differences. I hope that I can reassure her through my comments on Second Reading and in Committee that fears of health domination are not justified. When the Bill was published, we held intensive discussions with all three organisations and they broadly welcomed it.

I was disappointed when the hon. Lady described the health in pregnancy grant as a "bit of a gimmick." It is not. Some people may think that £190 is not much, but it means a great deal to many women in my constituency. It will be an enormous help to them in those last few months of pregnancy when they have to make difficult choices about spending priorities. I am sure that the hon. Lady did not mean to suggest the contrary.

I will write to the hon. Lady about body mass index. I understand that we are considering the matter. One

difficulty is that many people do not understand what body mass index means whereas they understand height and weight. We are also considering the follow-up for parents to give the provision more substance.

Someone mentioned the Human Rights Act 1998 and independent sector homes. We hope to be in a position to tackle that in the forthcoming Green Paper on the British Bill of Rights and duties, which would allow us to deal with the matter in the wider context of the public authority definition. Including that definition in the Bill causes a problem because it is so vast. However, we will strengthen the regulatory powers in the measure to ensure that the care quality commission can enforce the requirements in line with the relevant provisions of the Human Rights Act.

The hon. Member for South Cambridgeshire (Mr. Lansley) asked about the independence of the appointments system for members of the care quality commission. I assure him that the Bill proposes no change. The Secretary of State already has such a power but he devolves it to the Appointments Commission. We have made it clear that that will continue.

We have heard a little from the Conservatives today about their alternative Bill. We welcome some of their suggestions—indeed, we are already implementing them. We especially welcome their professed conversion at last to a taxation-funded NHS free at the point of need. However, their alternative is also deeply flawed. It professes to support devolution to the local level, yet Conservatives want to stop all local reorganisations of services, whatever their clinical merits. They call it a moratorium on reconfigurations; I call it a moratorium on saving lives. They talk about local and national accountability, but want to hand the big decisions to an unelected quango of bureaucrats.

Since 1997, we have put record investment into the NHS, making genuine improvements in care, slashing waiting times, saving lives and boosting quality of life. Reform has come with that investment, driving up standards, giving patients genuine choice and improving efficiency. There have been continued real-terms increases in investment in health. The Bill will build on those achievements, leading to fewer quangos, less bureaucracy, better safety and quality, more transparency and genuine accountability—a health service fit for the aspirations of the British people. I commend the measure to the House.

Question put and agreed to.

Bill accordingly read a Second time.

HEALTH AND SOCIAL CARE BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),

That the following provisions shall apply to the Health and Social Care Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 24th January 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Liz Blackman.]*

Question agreed to.

HEALTH AND SOCIAL CARE BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Health and Social Care Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any sums payable by virtue of the Act as health in pregnancy grant under the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992,

(b) any other expenditure incurred under or by virtue of the Act by a Minister of the Crown or by a government department, and

(c) any increase attributable to the Act in the sums payable under any other Act out of money so provided, and

(2) payments into the Consolidated Fund.—*[Liz Blackman.]*

Question agreed to.

COMMITTEES

Mr. Deputy Speaker (Sir Michael Lord): If the House is content, I shall put motions 4 to 8 together.

Ordered,

ADMINISTRATION

That Helen Jones be discharged from the Administration Committee and Mr John Heppell be added.

CHILDREN, SCHOOLS AND FAMILIES

That Joan Ryan be discharged from the Children, Schools and Families Committee and Mrs Sharon Hodgson be added.

HEALTH

That Mr Ronnie Campbell be discharged from the Health Committee and Stephen Hesford be added.

NORTHERN IRELAND AFFAIRS

That John Battle be discharged from the Northern Ireland Affairs Committee and Stephen Pound be added.

REGULATORY REFORM

That Mr Andy Slaughter be discharged from the Regulatory Reform Committee and Judy Mallaber be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

Union Flag (Government Buildings)

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

8.59 pm

Ian Lucas (Wrexham) (Lab): I am pleased to have secured this debate on the important issue of the flying of the Union flag on Government buildings. The Government are currently consulting on the flying of the Union flag and, more broadly, the consideration of the United Kingdom's national culture and citizenship are very much to the fore. The Government's consultation document says:

"The Union Flag is one of the most recognisable symbols of the UK."

It is recognised worldwide and its history is an expression of the history of the United Kingdom, of Great Britain and of Northern Ireland.

The Union flag was first introduced in 1606, following the accession of James VI of Scotland to the English throne. James I of England, as he became, had a strong vision of a unified kingdom of Great Britain. The combination of the cross of St. George and the saltire of St. Andrew was the physical expression of that vision. The flag represented the novel constitutional arrangements of Great Britain. That principle was carried forward in 1801 when a new version of the Union flag was introduced incorporating the cross of St. Patrick, following the Union with Ireland Act 1800. The Union flag used today has therefore changed in the past to reflect the developing constitutional relationships within the United Kingdom.

As a Member of Parliament from Wales, albeit one born in England, I am conscious of the integral role of Wales in the United Kingdom. The Act of Union of 1536 was not a merger; rather, it was a constitutional takeover of Wales by England and can be distinguished from the Act of Union with Scotland of 1707, which was approved by the Parliaments of England and Scotland. As a consequence, Wales's identity was suppressed within the Union for far too many years. It was only in the 20th century that Wales's identity began to be recognised. The creation of the Welsh Office was ultimately the precursor of devolution and was a formal constitutional recognition of Wales's distinctiveness.

Following the Government of Wales Act 1998, further new constitutional arrangements exist for Wales. Wales's role as one of the four constituent nations in the United Kingdom is recognised formally by our constitution, which now has a Parliament in Scotland and Assemblies in Northern Ireland and in Wales. The Union flag, on the other hand, represents only three nations in the United Kingdom. Just as the Union flag has changed in the past, to reflect a new constitutional settlement when Ireland came into the United Kingdom at the start of the 19th century, I believe that the Union flag should now change to reflect the four nations of the United Kingdom: England, Scotland, Northern Ireland and Wales.

How could that change be achieved? The three crosses making up today's Union flag are the crosses of the patron saints of the three countries represented on the flag. We could add the cross of St. David, but for me yellow and black would not create an ideal design. The recognised symbol of Wales is the Welsh dragon. I would like to see the incorporation of the Welsh dragon on to the Union flag, so that it would represent the four constituent nations of the United Kingdom. This is the Union flag that I would like to see—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. I must tell the hon. Gentleman that visual aids are not encouraged in the Chamber. He must describe the flag verbally.

Ian Lucas: The flag that I would like to see would represent all four parts of the United Kingdom, with the cross of St. George, the saltires of St. Andrew and St. Patrick and the red dragon of Wales. I appreciate, however, that that would require widespread consultation. Matters of taste will come to the fore. I would like the Government to consider the case that I have made and consult throughout the United Kingdom on changing the Union flag, just as it has been changed before, to give Wales an equal place on the national flag of the United Kingdom.

Mr. Stewart Jackson (Peterborough) (Con): I thank the hon. Gentleman for his generosity in giving way. I am listening to his speech with interest. What is his estimate of the likely cost of such a consultation across the whole United Kingdom for the proposals that he is outlining?

Ian Lucas: I have no estimate of the cost, but this is an extremely important matter. It is right and proper that we should consider the views of the people of Wales and the fact that they are not represented on the national flag. I find it disappointing that I do not appear to be commanding the hon. Gentleman's support on this matter. Similar changes have been made before, and this change would be to the benefit not only of Wales but of the United Kingdom, because the true constitutional picture of the nation that we are would be reflected on our flag.

Mr. Andrew Robathan (Blaby) (Con): As someone whose father was born in Wales, whose name is Welsh and whose grandfather was a headmaster in Wales—I should say that I do not speak Welsh, however—may I say that I am interested in the hon. Gentleman's approach? Will he tell me how many people, by number, in his constituency have raised this issue with him as a matter of great importance? I do not think that it could be very many.

Ian Lucas: Not many people have raised this issue with me as a matter of great importance, but it is important to the people of Wales because we want to show to the world an expression of Wales's role within the United Kingdom.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con) *rose—*

Ian Lucas: I should like to continue for a moment, then I will give way.

The United Kingdom has a flag that is recognised throughout the world. If that flag were to be changed, it would encourage debate across the world and bring to the fore the representation of Wales across the world. I would hope that the hon. Member for Preseli Pembrokeshire (Mr. Crabb) would welcome that.

Mr. Crabb: I have enjoyed the hon. Gentleman's history lesson so far, and I applaud the way in which he has spoken up in defence of the United Kingdom, and of the symbolism surrounding the United Kingdom. Does he not think, however, that many of the people who read this debate will find it strange that these arguments are coming from a man who is a member of a party that has governed this country for 10 years and engaged in a decade of constitutional vandalism that has left us with a divisive and unstable devolution settlement that is ultimately going to pull this country apart?

Ian Lucas: I should like to commend to the hon. Gentleman an excellent book called "The Isles" by Norman Davies. It is a constitutional history not only of England but of the isles of Great Britain and Ireland. It shows that we have always had changing and developing constitutional relationships within the United Kingdom. I am surprised that the hon. Gentleman is not aware of that fact. We did not exist in a constitutional state of grace before 1997, as the Conservatives seem to think.

The prime mover for devolution in the United Kingdom was Margaret Thatcher. Her ignorance of and disrespect for the people of Wales and Scotland, as well as many people in England, meant that devolution was inevitable. I am asking today for the existing constitutional relationships in the United Kingdom to be represented on the flag on our Government buildings.

Albert Owen (Ynys Môn) (Lab): My hon. Friend is making an interesting and radical proposal. As someone who supports both devolution and the Union with the United Kingdom, I do not believe that there is any contradiction between being pro-Welsh and pro-British. That is the crux of his proposal to reflect the diverse nations and indeed regions of the United Kingdom on our flag. I am interested to find out what he would call the new flag. Would he call it the Union jack, or would he propose that we rename it the British flag?

Ian Lucas: I like "the Union flag", which is the flag's correct name, although it is commonly known as the Union jack. I would like the name "the Union flag" to be retained. It is the true flag of the United Kingdom, and I would simply like it to reflect the four countries of the United Kingdom in a way that it does not do at the moment.

I do not believe that this is a dry, constitutional matter. As someone who was born in England, I believe that the people of Wales have good grounds for dissatisfaction that their nation is not represented on the national flag. If we want the Union flag to fly in Wales, we should include Wales on it. As I have shown, it is not as if we are talking about a change that has not happened before. In today's media age, changing an iconic image such as the Union flag may appear to be more difficult to achieve than it was 200 years ago, but none the less I believe that change is right.

Let the debate begin. Let the rest of the world know that the iconic symbol of the United Kingdom may change and that the reason is that we have a new constitutional settlement that affords Wales its true place in the Union. I believe that such a debate will increase the recognition of Wales not just across the United Kingdom, but across the world.

9.10 pm

Andrew Rosindell (Romford) (Con): May I congratulate the hon. Member for Wrexham (Ian Lucas) on obtaining this debate? I was interested to hear that the debate had been called and I wanted to be here because I have always believed that the flag of this United Kingdom should fly on Government buildings. I am thus delighted that we are having this debate, but it seems that the hon. Member for Wrexham has a different agenda. I did not recall him saying in his speech—I am sure he will correct me if I am wrong—that he actually supports the view that we should fly the flag, as I believe, throughout the year on Government buildings. He seems to be proposing an agenda that amounts to ripping up the current flag of our country and redesigning it to incorporate the Welsh dragon.

Ian Lucas: I am sorry that the hon. Gentleman was not listening to the debate. "Ripping up" was not a description that could be attached to my speech. What I said was that the continuing and evolving constitutional relationship within the UK should be reflected in its flag. As he heard—at least, he would have heard if he had listened—the flag has changed before because the United Kingdom has changed before. I want change to happen again.

Andrew Rosindell: I am one who does not want to see the United Kingdom changed. I believe in the United Kingdom. As the hon. Gentleman said, Wales was in fact connected to England long before the Act of Union, which created the Union flag—today's Union flag—and to change it at this stage would be a great mistake that would not be supported by the vast majority of people throughout the United Kingdom.

When the hon. Gentleman speaks about the Union flag, which is commonly known, as he rightly says, as the Union jack, he should realise that it does not just represent the people of the United Kingdom. It is used by nations, territories and dependencies all around the world. The Union flag is not simply the flag of the United Kingdom because it is represented in the flags of Australia, New Zealand, most of the British overseas territories such as the Falkland islands and many other places, as he will know. It is also depicted on the flags of the states of Australia and Canada and even of countries that no longer retain the British monarchy, such as Fiji. Even Fiji retains the Union flag. The Union flag now represents far, far more than simply the United Kingdom. To change that flag today would have implications for nations, territories, dependencies and countries far and wide.

Albert Owen: The hon. Gentleman is making an interesting point about the Union flag being part of other nations' flags where the Queen is Head of State. Actually, in Wales there is an anomaly in that the Queen is Head of State, but the Welsh or Wales as a nation do not have any representation on the flag, which is the crux of my hon. Friend's proposal tonight. If the hon. Gentleman does not think that the Union jack should be changed, does he accept that the problem should be rectified in some other way?

Andrew Rosindell: The hon. Gentleman is quite right. I understand that many people in Wales perhaps feel that they are not properly represented on the Union

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flag. However, what about the people of the Isle of Man? Are they represented on the Union flag? Is he also suggesting that we should include the symbol of the Isle of Man or any other British territory or Crown dependency? To keep changing what is now an established and recognised symbol would, I think, be grossly irresponsible and very unpopular. It would denigrate the flag, which I am sure he would not want.

Mr. John Spellar (Warley) (Lab): Is the hon. Gentleman saying that Wales is a Crown dependency?

Andrew Rosindell: Of course I am not. I acknowledge that, as the hon. Members for Wrexham and for Anglesey (Albert Owen) have pointed out, the people of Wales are not represented on the Union flag, but I have also made it clear that Wales was connected with England for many centuries before the Act of Union. If Wales was to be included it should have been included at the time of the flag's creation, and I think that it would be entirely wrong to do it now.

I do not, however, want my speech to be dominated by the agenda of the hon. Member for Wrexham. I want to talk about the title of the debate as it appears on the Order Paper, "Flying of the Union Flag on government buildings". That is what the Government are currently consulting on, and I have a copy of the consultation paper issued by the Department for Culture, Media and Sport, "Flying the Flag". I have submitted my own opinions on the subject.

I passionately believe that the Union flag, or the Union jack as the vast majority of people describe it, is a symbol of unity—not only unity in our own country and the United Kingdom, but a unity that cuts across divisions such as religion, ethnic background and class. All those things are overtaken by the fact that the Union flag represents all British people. It is a flag under which my father and both my grandfathers fought in the first and second world wars. It is a flag that I think the vast majority of British people are proud to see flying from Buckingham palace, as it does every day of the year except when the Queen is there and the Royal Standard flies. It is a flag that, sadly, we see flying from the Palace of Westminster only when the House is sitting. I have said in many debates that we should change that tradition. I am a traditionalist, but sometimes we need to change our traditions, and I think that we should fly the Union flag throughout the year.

Those who visit France, the United States or, particularly, Scandinavia will see that those countries' flags are flown all the time. Many people even have flagpoles in their front gardens. A public building in Denmark would never fail to fly the Danish flag—and can anyone imagine the French flag not being flown from Government buildings in Paris, or the United States flag not being flown from buildings in America? Yet there seems to be a problem in this country. We seem to be hung up about whether or not we should fly the Union flag.

Before I became a Member of Parliament, I fought a campaign in my constituency for the flag of our country to be flown from the town hall throughout the year. I regret to say that it was bitterly opposed by the then Labour administration of the London borough of Havering.

Mr. Spellar: I fully take on board the points that the hon. Gentleman is making. Will he join me in congratulating my borough, the Labour borough of Sandwell in the west midlands, on flying the Union flag over council properties, and does he share my slight concern at the fact that the neighbouring Conservative borough of Dudley has taken the advice of its officers and is flying it only on the 16—or however many there are—so-called official days?

Andrew Rosindell: The right hon. Gentleman and I tend to agree on a number of matters, and this is one of them. I think that the Union flag should fly from all civil buildings—town halls, council buildings—and from all Government Department buildings. I also believe that it should fly from every school building. I would like to see a flagpole at the front of each school, with a different pupil each morning given the honour of raising the flag. I would also like to see the flag in each school assembly room.

There is nothing wrong with the Union flag; we should be extremely proud of it. Sadly, however, there are those who over the years have either denigrated the flag and tried to make out that it represents only people with supposedly right-wing views, or tried to hijack it for their narrow political ends. I am completely opposed to both. Without trying to turn this into a party political debate, I must say that I was saddened when the Labour council in Havering in 2000 voted against my plan to fly the Union flag. Many people said that to do so would ignite bad feeling between races. Nothing could be further from the truth. People from ethnic minorities wanted the flag to fly more than anybody, because they see that flag to be as much theirs as the rest of us do. It is wrong to allow the far right—the British National party, the National Front or other such parties—to hijack the national flag.

I would like all public buildings to fly the flag. I welcome the fact that the Union flag now flies from a number of Government Department buildings, but we are merely scratching the surface. We need a policy such as that in Australia and New Zealand; I think that they have flag Acts that clearly set out when the flag should fly. It is sad that the Department for Culture, Media and Sport suggests that we fly the Union flag for only 14 or 15 particular days a year, such as the Queen's birthday and the anniversary of the coronation. It would be a jolly good thing to see the flag flying throughout the year—all 365 days. Not only that, but I strongly believe that we in England should fly the cross of St. George—as my town hall now does. Practically everybody in Scotland flies the Scottish Saltire and I am sure that in Wales they do the same with the Welsh flag. Not only should we fly the Union jack, we should also be proud to fly the flags of the individual countries that make up the United Kingdom.

Albert Owen: The hon. Gentleman said he would like the Union flag to fly in schools—I presume he means throughout the United Kingdom, although he did not specify that.

Andrew Rosindell *indicated assent.*

Albert Owen: The hon. Gentleman also said that he would like the flag of St. George to fly alongside the Union jack. Does he not understand that in Wales there is some hostility to having the Welsh dragon and the Union jack, because people do not feel part of the Union jack as their flag is not reflected in it? That is the point my hon. Friend the Member for Wrexham (Ian Lucas) is making in this debate. My father served as a British serviceman and was very proud to do so; he was a proud Welshman serving what was then King and country. The fact is, however, that the Union flag is not representative. We are all patriots—we are Welsh patriots and British patriots—but we in Wales do not feel part of the Union flag because the dragon or the cross of St. David is not on it. That is the issue.

Andrew Rosindell: The hon. Gentleman makes some valid points, and I understand and accept what he is saying. Perhaps there should be some discussion of how to resolve those issues, but I do not believe that the answer is to change the Union flag. Without trying to make out that Wales is a Crown dependency or an overseas territory, the fact is that the Isle of Man and Jersey and Guernsey have been linked to the British— *[Interruption.]* They might not be part of the United Kingdom, but the Union jack is accepted as a flag for them as well. It is the British flag. It represents all British people. Their flags are proudly flown. If we were to go to the Isle of Man, we would see its flag flying proudly alongside the Union jack. There is no problem there. I have recently been lucky enough to visit Guernsey, which is a Crown dependency. Guernsey has been linked to the British Crown since way back in 1066. For that reason, there has never been a problem. The Union flag can fly in St. Peter Port alongside the flag of Guernsey.

I understand completely that Members from Wales have a particular point of view, and we ought to talk about that. However, the title of the debate on the Order Paper is "Flying of the Union Flag on government buildings". Most of the comments from Labour Members have not been about that; they have been about how they would like the Welsh flag to be incorporated in the Union flag. I do not believe that that is the most pressing issue that people in Wales are arguing for; I accept the points that have been made, but I think there are probably more important issues.

The most important thing is the Union—keeping the Union together, preserving the United Kingdom and not undermining it any more. That is why I am completely sympathetic to Members from Wales who have a problem with the current flag; nevertheless, I ask that we broaden this debate. A consultation is going on and I hope that all the Members in the Chamber this evening have taken the trouble to send a submission to the DCMS. I will give way if anyone would like to comment on that. Well, perhaps they have, perhaps they have not, but I have, because I think that this issue is very important.

As I said before, how many children are taught in schools what the Union flag represents? How many schools fly the Union flag? In America, there is pride in the flag and an understanding of what it represents. It would be absolutely right if we claimed our flag for the vast majority of British people, who see it as a symbol of unity, not a divisive emblem. I refer not only to the United Kingdom but to people of other backgrounds who, some may argue, perhaps see themselves as being excluded from that flag. I do not believe that most people think like that, although there may be one or two who do.

However, we have a duty, as Members of Parliament, to ensure that the flag of our country does not become associated with groups on the far right or any other particular cause or project—that it is seen as everybody's flag, the flag for all British people, whoever they are, whatever background they come from and of whatever supposed class they are. What better way could there be to demonstrate that than to see the flag flown every day throughout the year from every school, every town hall and every Government building, and by businesses, as well? Why not? Many businesses in my constituency have since decided to fly the flag following its being raised above Havering town hall.

I hope that Labour Members will reflect on this. I have been in politics for a number of years now, and I have grown up in a period in which many Labour politicians—certainly from my area—have denigrated the flag, saying that its use implies that one is somehow right wing or of the far right. Nothing could be further from the truth. I do hope that there has been a change of attitude in the Labour party, as there has been across the country. The Union flag is now a modern symbol. It is used by young people on so many different things. They wear it on their clothes; they have belts with the Union flag on, for example. I am sure that many Members now have a Facebook page. Many youngsters have Facebook pages, as do I, and those who look at mine will see that it carries a Union flag. Those who are English can also have the flag of England, and those who are Welsh can have the Welsh flag. People are proud of their flags, and so should we be.

Ian Lucas: The hon. Gentleman, who is being very kind in allowing interventions, mentions Facebook. I should point out that there is a Facebook site dedicated to discussing the absence of Welsh representation on the Union flag; indeed, there is a separate website that raises the same issue. I am not the only person who has seen this difficulty. Does the hon. Gentleman agree that we have made some progress in this debate, and is he prepared to continue the discussion?

Andrew Rosindell: I have been discussing this issue for some 10 years now with people of all different parties. It has been a pleasure, because I have seen everyone shift toward the argument that I have always put forward—that we should be proud to fly the flag of our country. The issue raised this evening—the lack of representation of Wales in the Union flag—is quite valid and we should of course debate it. I do not think, however, that too many people will be convinced that we should change the design of our current flag, but there should at least be an acknowledgement that Wales is not represented. This issue can of course be looked into further, but I do not believe that we would gain anything from opening up a contest for redesigning the flag of our country. It would be divisive, and while it might receive some support in Wales, I fear that there would be a backlash in the rest of the United Kingdom. I have also made it clear that

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the hon. Gentleman is not taking into account the implication that it would have on territories, countries and states that also use the Union flag, as currently designed, in their flag. On that basis, redesigning the flag would be wrong and I would oppose that, although I would be happy to continue discussing the matter.

Where do we go from here? We can do all kinds of things. I hope that when the Government review this policy and when the consultation is completed, they will follow the example of Her Majesty the Queen. In the week of the death of Diana, Princess of Wales, the Queen decided that the Union flag would fly from Buckingham palace, and since that day it has always done so—the only exception is when the Royal Standard flies. If the Queen is able to decide that the flag should be flown from Buckingham palace, surely the rest of the country should take that as an example.

I hope that the result of this consultation will be that the Union flag will be flown from public buildings, including town halls and schools, and that the Government will consider issuing an official guide to the flag so that every young person in every school, and everyone else, will understand the history of the flag, the purpose of flying it and its importance. Other countries produce an official guide, why does the United Kingdom not do so?

Other countries have a flag Act, so perhaps we should consider having the same. A great example of that is Australia and New Zealand, which regularly fly their flags—flags are flown all over the place—and do so with great pride. I understand that in both those countries any member of Parliament can obtain a flag and present it to a local group, organisation or individual. They can also obtain portraits of Her Majesty the Queen and present them to a local group if they so choose—in Australia, those are provided by the Australian Parliament. I have checked that myself. Perhaps such a system could be considered under the Government's review of flying the flag from public buildings.

I have referred on a number of occasions to the Crown dependencies and overseas territories. It is a great shame that we do not give recognition to their flags in our country. I am told by the Flag Institute that countries such as North Korea, Syria, Iran and Burma can fly their flags anywhere in this country—they are legally recognised—but if one wants to fly the flag of Gibraltar, the Falkland Islands, Jersey or the Isle of Man, one must get advertising consent. A review of the rules must take place, because surely the flag of any territory or nation that retains the same Head of State as us—Her Majesty the Queen—should be given recognition.

Perhaps the Minister will also answer the question about the flying of flags at trooping the colour. Hon. Members may recall that last year there was publicity about that, because the flags of republics, such as Mozambique, were flown at Horse Guards Parade for the Queen's birthday, yet flags of the overseas territories were not. In the week that we were celebrating the 25th anniversary of the Falklands conflict, no Falkland Islands flag was flown in Horse Guards Parade, yet Mozambique's flag, complete with what I believe to be a Kalashnikov, was flown next to the Union jack there.

We must review our policy on flying the flags. I hope that the Minister will agree that precedence should be given, certainly on the Queen's birthday, to countries that retain Her Majesty as Head of State. Mozambique has never had the British monarchy, and it is wrong that flags of republics should be given prominence at an event such as trooping the colour when flags of territories and dependencies that have been linked to the Crown and the United Kingdom for hundreds of years are not displayed. I hope that the Minister will look into that and report back to the House on it at a later date, in advance of trooping the colour.

In conclusion, I once again congratulate the hon. Member for Wrexham. This has been a worthwhile and useful debate. I hope that some of the points that I have made will be taken on board, as will the points that he made. There is no firmer believer in the United Kingdom than me, and that is why I have always campaigned and fought for the recognition of all parts of it. I hope that all the issues raised in this debate will be considered and I leave the Minister with one final thought.

We may have different political ideas on the opposite sides of the House, but there is a feeling in the country today that the Union flag is no longer a symbol of division. People no longer think, "Oh, we'd better not fly it in case it upsets someone." We have moved on from that period, which was only 10 years ago. There has been a mood change and people now want to see the flag of this country flown. It is high time that we, as Members of Parliament, and the Government took the lead. If we do so, we will simply be doing what Her Majesty the Queen has done for the past 10 years. If we follow her example, we will take the right step and show that we are true to our flag, our country and—most importantly—the unity of all peoples of our United Kingdom.

9.36 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to follow my hon. Friend the Member for Romford (Andrew Rosindell). I know that he has long been a passionate patriot and advocate of the monarchy and the flag.

We have, over the years, seen a degree of eccentricity in Adjournment debates, and tonight is no exception. As my hon. Friend has said, we may have been brought here on false pretences, but I wish to raise a few key issues. I believe that the people of Wales are practical and pragmatic people, and they have not concentrated on the power of symbols in the way that their Celtic brethren north of Hadrian's wall have perhaps done over the years. The Welsh people support the 1997 devolution settlement and they are much more interested in transport, the health service, schools and social services than in symbols and flags.

The hon. Member for Wrexham (Ian Lucas) was sincere and well-meaning in his remarks, but he missed the point. A consultation process would be expensive and I do not think that it would result in a settled view across the UK. The hon. Gentleman admitted honestly that his suggestion does not even command the support of his own constituents. Far from being unifying, it would be divisive—

Ian Lucas: I have learnt a great deal about the United Kingdom by learning about the history of the flag. The consideration of what the flag means, and what it could mean if it were changed, could increase the understanding of my constituents and others of what the UK is and what the Union flag represents.

Mr. Jackson: I listen with interest to those points, but let us consider the practical issues in relation to the representation of our constituents. The hon. Gentleman's constituents have a National Assembly to represent their views on a range of devolved issues. In addition, they have the House of Commons and local authorities. They have parliamentary constituencies that are significantly smaller than those in England, so they are well represented in our constitutional system. There is no clamour in Wales for the divisiveness of new flags and symbols. When I talk to people on my many trips to Ynys Môn and Aberffraw it is evident that there is no clamour for symbols such as the red dragon. Indeed, there would not even be consensus in Wales about whether the red dragon should be used on a new flag—it could be a leek, a fleur de lys or one of a number of other symbols.

In conclusion, the proposal is eccentric, albeit well-meaning, and it would not add to the unity of our country. Members who, like me, attend citizenship ceremonies are no doubt moved by the sense of unity around the Union flag. The hon. Gentleman's proposal would go in the opposite direction, and would not be in the best interests of the whole of the United Kingdom.

9.40 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I join other Members in congratulating my hon. Friend the Member for Wrexham (Ian Lucas) on securing the debate. He raises an issue of concern to all our constituents across the UK. As he knows, it is subject to consultation at present. We published our Green Paper in July, and the consultation came to an end on 9 November. We received more than 300 responses, which are being collated as we speak, and we hope to put them on our website shortly. The Government will respond in the new year when we have had time to consider the various responses.

At present, the Union flag is flown on 16 days in England, and on 18 days in Wales, Scotland and Northern Ireland. We consulted on whether it should be flown all the time, on working days only or on an increased number of fixed days, or whether Departments should be able to choose when to fly it. The consultation covered a range of points. The hon. Member for Romford (Andrew Rosindell) raised the issue of the flags flown at the trooping of the colour. If he writes to me, I shall consider the issue and get back to him.

The interesting point about tonight's debate is that there are varying views—between Dudley and Sandwell, and between Members. The hon. Member for Peterborough (Mr. Jackson) thought that the proposition by my hon. Friend the Member for Wrexham was expensive and eccentric, whereas the hon. Member for Romford thought we should give it serious consideration. People do not agree.

I see the debate on the role of the Union flag in the context of our wider debate about Britishness—a debate initiated by my right hon. Friend the Prime Minister—which has resonance across the Chamber and across the country. The debate is relevant for several reasons. We are concerned about the impact of recent changes on our cohesion and sense of identity—whether in relation to issues of terrorism or migration. We are concerned about the loss of civic and political participation. We want to maintain what is commonly described as the social capital aspect of our infrastructure, whereby people feel they are part of a whole and contribute to it.

It is right that we think about those things and debate them. We have to recognise that action is required locally as well as nationally. The debate is about iconic symbols, of which the flag may be one, and mundane local issues in our communities or in parts of British society. We want people to feel loyalty to their country, but at the same time we understand that we must entirely recognise cultural difference and different communities. We want an inclusive, integrated Britain, but one that accepts diversity and difference.

That is a difficult concept in a global society, so I hope Members will bear with me while I talk about the British Mini. The Mini is an iconic 1960s British institution, but it was the brainchild of Alex Issigonis, who was born in Turkey to Greek and German parents and came to the UK as a refugee. If we look at the new Mini that has just been designed, we see that it is still essentially British—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the right hon. Lady, but this debate has travelled some distance from its original terms. However, her latest remarks have altogether gone far too far. I urge her to talk about what the debate is meant to be about.

Margaret Hodge: My reference was simply to demonstrate the importance of symbols in uniting us, and also in recognising the diversity of what are seen as British institutions, of which the British Mini may be one. It is a complex debate, and I hear what you say—

Mr. Deputy Speaker: Order.

Margaret Hodge *rose—*

Mr. Deputy Speaker: Order. When I get to my feet, the right hon. Lady should resume her place. My job is to keep the House in order, even on a relatively relaxed occasion like this. We cannot go too far beyond the scope of the motion, and I urge her not to do so. She can of course develop the subject in all sorts of different ways, but that must be within the terms of the Standing Orders of the House.

Margaret Hodge: Thank you, Mr. Deputy Speaker. However, I hope you will allow me at least the observation that a number of symbols and institutions reflect our Britishness. One of them is the flag. Parliament is an institution of importance and the monarch is another. Iconic institutions such as the British Museum also reflect our Britishness.

The debate on the flag appears in the wider context of the debate in the White Paper on "The Governance of Britain" in which we talk about such symbols and how they can help to embody a national culture and citizenship. The Union flag is one of the most recognised symbols of unity.

Andrew Rosindell: The Minister has just said that the Union flag is a symbol of unity, and I agree with her. Perhaps she can tell the House whether the borough of Barking and Dagenham flies the Union flag from its civic offices in the same way as the neighbouring borough of Havering does. If not, will she support a campaign to fly the Union flag in Barking and Dagenham as it is flown in Havering?

Margaret Hodge: I genuinely think that that decision ought to be taken by the civic leaders who have responsibility for determining such things locally. It was an interesting part of the hon. Gentleman's contribution, but I am not sure whether dictating what all our democratic institutions across the UK should do, and when and how they should fly the flag, is appropriate for Government to decide. It again goes back to my point about how we define our unity. We define it both locally and nationally. The flag is a national symbol, but I honestly think that how it is used ought to be a matter for local, and not national, determination. His party itself has said that it supports such decentralisation of decision making. He might like to reflect on his view as to whether this Parliament should decide whether all national and local government buildings should stick to a national diktat decided by himself.

Andrew Rosindell: I thank the Minister for being so generous in giving way, and I am sorry, but I want to pursue the point a tiny step further. She is a civic leader in Barking and Dagenham, as I am in Romford, so does she think that the flag should be flown? The neighbouring borough of Havering flies the flag, so does she think that Barking and Dagenham should do the same? What is her personal view?

Margaret Hodge: I hate to say to the hon. Gentleman that I think that this is not an issue for me to dictate to the elected members of the local council, who are responsible for the civic building to which he refers. I genuinely think that it is a decision for them. Although I engage in debate with them on a number of issues, this is one that is quite properly left to them to determine.

I agree with the hon. Gentleman that in countries such as France and the United States, the national flag is regarded as a source of pride, and in recent years the Union flag has all too often become the preserve of political extremists—a symbol of discord rather than harmony. One of the good reasons for flying the Union flag more often on official buildings could be to reclaim it from those who distort its meaning and use it for political ends.

In many ways, we have already started to recapture the flag for good, patriotic purposes. I like to reflect on seeing some of our black British athletes draped in the Union flag at the Olympic games in Sydney and Athens, and I look forward to seeing many of them draped in that flag in Beijing next year. I was in a primary school in my constituency last week where the flag was used as a way of explaining some of the history of the Union. That was an interesting way of using the flag in the classroom—and something that had not been dictated by Parliament.

I welcome the fact that discussion of the Union flag has been a key part of the ongoing conversation about the appropriate role of the state in helping people to shape and define their identity in recent times. Some commentators have said that it is somehow not British to talk about symbols of Britishness, and that that is just not what we do in this country. However, the considerable debate that has been engendered—and brought to the House by my hon. Friend the Member for Wrexham—about the issue of flag flying seems to suggest that that is just not true. It seems just as British to talk about the flag as it is to talk about the weather.

What we are looking to achieve in the discussion about symbols of our country's identity is something that is both representative and personal—something that allows us immediately to recognise and take pride in the fact that we are part of a larger coherent community, and can find our own place in that community and take an active part in it. For that reason, the opportunity presented by the discussion of the Union flag is timely. The flag is representative of the wider community of the United Kingdom, but it can also be intensely personal—a symbol of our own personal commitment to the values and beliefs of the United Kingdom.

The proud history of the Union flag shows that it is a potent symbol of the diversity of the United Kingdom. It may be an artificial construction, but let us be honest: its origins do not differ from those of many other countries' flags. There is something in that history—the decision to bring together existing flags in a new Union flag, to which my hon. Friend the Member for Wrexham alluded—that speaks to the task of building cohesive and integrated communities, which sits before us at the moment. The creation of the flag was a moment of pragmatism, but also of vision. That approach speaks as much to long-established British communities as to new communities and new citizens.

I do not want to prejudge the outcome of the official consultation, but hon. Members will not be surprised to know that there have been a number of suggestions—some no doubt put forward by the hon. Member for Romford—about how we can better recognise and celebrate the origins of the Union flag, and how to use it in different ways. It was suggested that it could be used at citizenship ceremonies or at the birth of children. It needs to be used in a way that ensures that it speaks to everyone, regardless of their background. I hope people will be able to pick up those ideas when the summary of responses is published. I hope the debate will continue, and I would like to see what sort of response it receives.

The Green Paper introduces the possibility of the wider use of flag flying on Government buildings. Although the flag-flying guidance applies only to UK Government buildings, the impact of the changes is likely to affect other public organisations, because so many of them choose to follow the Government's lead. That includes many local authorities.

I acknowledge the comments of my hon. Friend the Member for Wrexham and my hon. Friend the Member for Ynys Môn (Albert Owen) on the Union flag, and the need for Wales to be represented. A valid point has been raised. The redesigning of the Union flag was not part of the consultation that we are considering. However, I am aware that a number of respondents have raised the point. I am also aware of the issue being raised in correspondence to the Department in the recent years. It has been suggested,

as my hon. Friend the Member for Wrexham said, that the Union flag could be modified by including either the red dragon or the cross of St. David, to represent Wales.

We are aware that a number of respondents from all over the United Kingdom are not happy flying the Union flag, as they feel that it does not truly represent the United Kingdom. We have already discussed this evening the way in which the flag came about. The Welsh dragon was not included on the Union flag, as the Principality of Wales was already united with England by 1606, when the first Union flag was created. I can assure all hon. Members that the issue of the design of the Union flag will be considered, along with all other points raised, and consideration will be given to whether and how we should take those forward.

There are implications for redesigning the Union flag to include Wales, including interesting design issues, and the fact that in a diverse country we will never please everyone. As the current Union flag is formed by merging three heraldic crosses representing the three kingdoms of the United Kingdom, the original design was a challenge. Thinking of a new design that would meet everyone's aspirations would be an even greater challenge.

The Government are keen to make the Union flag a positive symbol of Britishness, reflecting the diversity of our country today and encouraging people to take pride in our national flag. I am committed to ensuring that any changes that we make following the consultation ensure that that is promoted.

Whether we can trace our history back in these British Isles for 500 years or for only five, the Union flag, as we have all acknowledged in the House tonight, is a powerful symbol of our pragmatic, but principled, decisions on how to give everyone a sense of collective belonging, and at the same time our personal pride in being citizens of the United Kingdom. It is on that basis that I welcome the debate and thank hon. Members for their contributions.

Question put and agreed to.

Adjourned accordingly at four minutes to Ten o'clock.

House of Commons

Tuesday 27 November 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Climate Change

1. **John Robertson** (Glasgow, North-West) (Lab): What support her Department has considered to assist councils that wish to introduce measures to reduce carbon dioxide emissions and adapt to the effects of climate change. [168021]

The Secretary of State for Communities and Local Government (Hazel Blears): The local government White Paper, published by my Department, sets out the framework for local authorities to take action on climate change, and we are putting in place a number of initiatives to support it, including new performance indicators to help local authorities to measure progress on carbon reduction, and information and guidance for local authorities on climate change mitigation measures. We have also included climate change as a theme in the current round of the beacon council scheme.

John Robertson: I thank my right hon. Friend for that extensive answer. I am sure that she agrees that it is the poorest people who can least afford energy-saving devices such as energy-saving light bulbs. Will she ensure that local authorities have the resources and the necessary money to target those poor people to ensure that they have the chance to get loft insulation, cavity wall insulation, energy-saving light bulbs and things like that?

Hazel Blears: My hon. Friend has an excellent record on highlighting such issues in the House. I can give him a couple of examples of local authorities doing exactly the kind of the thing that he outlines. Kirklees has a warm zone plus scheme, whereby loft and cavity wall insulation is being installed for free, on a systematic house-by-house basis. People get a personal visit and it is hoped to put cavity wall insulation into 40,000 homes. Leicester has a hot lofts scheme, in partnership with British Gas and Mark Insulations. An area is selected using thermal imaging to see where the most energy is escaping, and the homes are then targeted. The provision is free, irrespective of income.

Andrew Stunell (Hazel Grove) (LD): Will the Secretary of State clear up the confusion created by her Ministers and officials about whether local authorities are free to implement the so-called Merton rule? When the question of whether they are free to do so is asked in the House, it is always met with the answer, "Yes." But officials always meet it with the answer, "No." Is it not time that she told the House clearly whether authorities are free to implement the rule and whether she welcomes more local authorities taking the rule on board and tackling climate change effectively at a local level?

Hazel Blears: I am sorry if the hon. Gentleman is confused, so I shall try to be as clear as possible. My right hon. Friend the Minister for Housing has written to all our stakeholders on this matter. Yes, we can implement the Merton rule, but we want to go further. However, that has to be properly tested through the planning process. That is absolutely clear. We want to press on with our commitments to reduce carbon emissions and we have one of the most ambitious programmes: to get all new homes to be zero carbon by 2016. The Merton rule is a valuable contribution, but we want to go even further.

Tony Lloyd (Manchester, Central) (Lab): The private rented sector is quite problematic with regard to climate change and energy efficiency. Will my right hon. Friend work with local authorities to make sure that they are given powers to work with and, in the final analysis, to compel private landlords to raise their properties to minimum acceptable standards for energy efficiency?

Hazel Blears: My hon. Friend makes an important point. Sometimes it is the poorest people who live in the most difficult conditions in the private rented sector. It is important that local authorities have powers to work with landlords in relation to licensing and accreditation, to make sure that the highest standards are available. He will also be aware of our intention to pursue energy performance certificates in the private rented sector, which will be of considerable assistance.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Local authorities are required to have made a 30 per cent. reduction in energy use in residential homes by 2011, but the latest figures show that many local authorities, including my authority of Westminster, are trailing well behind that. Will my right hon. Friend work with her colleagues in DEFRA to consider step-in powers, which are available to the Government, to ensure that local authorities that are not raising their game on residential home efficiency do so?

Hazel Blears: My hon. Friend raises an extremely important point. She will know that in the new local government performance framework, for the first time, there are indicators in relation to climate change. In those areas where we really need to make a difference, we will be able to incorporate those indicators into the local area agreement. There will be measuring and monitoring, and the local authorities concerned will be pressed to have some pretty stretching targets. I hope that a number of local authorities will use climate change as one of their central areas in their local area agreement.

Home Information Packs

2. **Mr. Adam Holloway** (Gravesham) (Con): What plans she has to introduce further secondary legislation on home information packs. [168022]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): My right hon. Friend the Minister for Housing set out in a written ministerial statement on 22 November our intention to complete the phased roll-out of home information packs by extending coverage to the rest of the market from 14 December, in line with the criteria set out on 11 June. We have now laid amending regulations, ahead of the roll-out.

Mr. Holloway: Quite a few people in the housing industry have complained about the very short notice for extending HIPs to one and two-bedroom properties. Will the Minister reassure my constituents that the Government have learned the lessons from earlier this year, when the Royal Institution of Chartered Surveyors felt the need to commence legal proceedings because of a lack of consultation?

Mr. Wright: The roll-out for one and two-bedroom properties has been entirely consistent with the roll-out for three and four-bedroom properties earlier this year: I give the hon. Gentleman that reassurance for his constituents. All the evidence shows that the roll-out this year has been entirely consistent, and has provided reassurance and stability to the housing market.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): First, may I congratulate my right hon. and hon. Friends on the Front Bench on holding their nerve on the issue when Opposition Members, their friends with vested interests, RICS and the like were losing theirs? When the Minister monitors the impact of home information packs, will he report back to the House specifically on packs in which home condition reports were included, so that we can see whether they have an even more beneficial effect, and whether they ensure an even higher completion rate of sales in cases where offers have been made, as many of us believe they will?

Mr. Wright: My hon. Friend makes an excellent point. We are on the side of the consumer, and of home buyers and sellers. The Opposition are on the side of protected, narrow vested interests. Let me reassure my hon. Friend: all the evidence shows that, on average, HIPs are taking seven to 10 days to prepare. The majority of property drainage and water searches are being delivered. All the quality assurances are being provided. We will continue to monitor that, and I will report back to the House.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Will the Minister also monitor the likely effect on first-time buyers? Inevitably, vendors will pass on the cost, and in the latest phase that is likely to hit first-time buyers. Will he keep a close eye on that?

Mr. Wright: I thank the hon. Gentleman for that considered question. First-time buyers of one and two-bedroom homes will be the main beneficiaries, as they will now get important information about their new homes for free. Information, including searches for which they would previously have had to pay, will now be included in the HIP, paid for by the seller. That will reduce the costs of getting on the first step of the property ladder.

Grant Shapps (Welwyn Hatfield) (Con): Given the Minister for Housing's embarrassing U-turn just last week on first-day marketing for HIPs, is it not time for her to come to the Dispatch Box and admit that without first-day marketing, the HIPs scheme is effectively dead and buried?

Mr. Wright: Oh dear, dear. Opposition for opposition's sake is never attractive, and I know that the hon. Gentleman's heart was really not in that attack. I feel sorry that he has to keep flogging that dead horse. He knows that all the evidence shows that the impact of partial roll-out has been minimal, and that there are strong, convincing arguments for rolling out as planned; that is what we are doing. Any further delay could cause greater difficulties and further uncertainties in the housing market.

Tom Levitt (High Peak) (Lab): Will my hon. Friend join me in paying tribute to the immense patience and commitment of those of my constituents, and hundreds of others across the country, who have trained to be HIP inspectors, and who now have the opportunity of a full, rewarding career ahead of them?

Mr. Wright: I certainly agree with my hon. Friend on that. The Association of Home Information Pack Providers has been first-class in lobbying on behalf of its members, in listening to concerns, and on the subject of the obvious things that we need to do to make sure that the housing market is stable. I will continue to work with AHIPP and other providers to ensure that that remains the case.

Thames Gateway

3. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent assessment she has made of the effectiveness of the Thames Gateway programme. [168023]

The Minister for Housing (Yvette Cooper): In the last 12 months, we have secured the go-ahead for Crossrail, including the route to Abbey Wood. Planning permission at Ebbsfleet, secured as a result of Government transport investment; the go-ahead for the multi-billion-pound investment in Europe's biggest deep-water port at Shell Haven; and the opening of the channel tunnel rail link through the gateway—those major projects alone are helping to support extensive regeneration and growth across the Thames Gateway.

Mr. Evennett: I thank the Minister for her comments. There are growing concerns in my area about the effectiveness of the project, and a feeling that the Government's performance has been lackadaisical to date. Report after report has criticised Ministers on the Thames Gateway project, including the recent report by the Public Accounts Committee. Is the Minister really the only person who thinks that it has so far been a great success and acceptable? Many people in my area think that more should be done to make a real opportunity of the Thames Gateway.

Yvette Cooper: I disagree with the PAC report. We have seen considerable progress as a result of the major investment that is already being made in the Gateway. That includes over £2 million, for example, in Crayford, to improve the environment around the river, and part of the £32 million that has gone into Bexley over the past three years. Our intention is to keep supporting the regeneration in Bexley and beyond, across the Thames Gateway. I am sure that the hon. Gentleman's constituents do not think it is a waste of money.

Alistair Burt (North-East Bedfordshire) (Con): It is nice to see the Minister replying to this question. She must have been spoiled for choice, between Thames Gateway and HIPs.

The recent Public Accounts Committee report concluded:

"The Department does not know how much the regeneration of the Thames Gateway will cost the taxpayer";

"The Department has not translated the vision for the programme into comprehensive and measurable objectives, nor are there robust systems to measure progress";

and

"The Department's management of the programme has been weak, and has not demonstrably added value to the programme".

Which of those conclusions does the Minister think accurately sums up the Government's state of policy?

Yvette Cooper: The PAC report is hopelessly out of date. The National Audit Office report was helpful and we have responded to it, but the pace of progress in the Thames Gateway has been substantial. We have already invested more than £600 million from our Department in a series of substantial improvements across the Thames Gateway, which are supporting the creation of new jobs, new training and higher education places, and new homes. We will go further, and later this week we will set out a major multibillion pound programme of investment in the Thames Gateway over the next few years so that it can truly support a greater number of jobs and homes for the future.

Rob Marris (Wolverhampton, South-West) (Lab): The Thames Gateway is an exciting project. What steps are being taken to proof the project against climate change, in particular against rising sea levels that might flood the project, to make sure that we do not have a major development in the Thames Gateway that, in the next few decades, is overtaken by the changes to the climate that are already taking place?

Yvette Cooper: My hon. Friend makes an important point. He may be aware that the Environment Agency has carried out an extensive programme of work that looks at how to secure the Thames Gateway from flooding well into the next century. That is an important part of the work that we have under way and that programme is out to consultation. My hon. Friend is right: we should recognise the future consequences of climate change and that the Thames Gateway is a great opportunity to do more to cut carbon emissions and prevent damage from climate change.

Local Government Reorganisation

4. **Andrew Selous** (South-West Bedfordshire) (Con): What her timetable is for decision making on local government reorganisation in England. [168024]

The Secretary of State for Communities and Local Government (Hazel Blears): We are currently considering all the information and representations that have been submitted to us about the unitary council proposals that have been made. We intend to take our final decisions very soon.

Andrew Selous: May I impress on the Secretary of State the need for a quick decision to be made on what form of local government reorganisation we are due to have in south and mid-Bedfordshire? Key decisions are already being held up because of the uncertainty. The current state of affairs is not fair on the staff of the councils, many of whom are leaving as they are not sure whether they will have jobs, and the people of south and mid-Bedfordshire deserve better.

Hazel Blears: I can certainly assure the hon. Gentleman that we mean to make our decisions as quickly as we can. The general rule is that when the intention is to introduce change, the best thing to do is to get on with it so that people do not face uncertainty. That is exactly what we have done with the whole process. I am pleased that proposals have been worked up, and a great deal of preparation has gone into them. The business cases have been extremely good in the cases before us. We mean to get on, make the decisions and implement them. We will then have some flagship unitary councils that can take their communities forward.

Andrew Miller (Ellesmere Port and Neston) (Lab): My right hon. Friend knows my views about the merits of creating two unitary authorities in Cheshire. Will she ensure full transparency, and that the county council is required to share information that it has at its disposal with the district councils in preparing the bids on which she must make a decision?

Hazel Blears: My hon. Friend has been assiduous in putting the case in which he strongly believes. He knows that I have to take into account all the information and all the representations that I receive on the issue. It is important that the information that is available, whether it is financial information or proposals for neighbourhood empowerment, is shared among the parties involved. Whatever the issues surrounding the reorganisation, it is in the interest of us all to get the best outcome that we can and to get on and implement it as swiftly as we can.

Ann Winterton (Congleton) (Con): Is the Secretary of State aware that my constituents want her to drop the whole local government reorganisation? Is she aware that reorganisation of any kind has never cost less and that people will pay considerably more for poorer services delivered remotely? If local government is to mean anything at all, it must be local, and it must be delivered by locally elected people. Will she change her mind—

Mr. Speaker: Order.

Hazel Blears: I know that the hon. Lady feels strongly about the issue and is putting the views of her constituents, but I ask her to reflect for a moment. Local government is important, which is why neighbourhood accountability is crucial. Local authorities must be able to make big, strategic decisions in the interests of their communities as a whole, which is essential in order to promote economic development and growth. I ask the hon. Lady to think about the long-term interest of the community as well as local issues.

Mr. Keith Simpson (Mid-Norfolk) (Con): Will the Secretary of State answer two questions that I raised in an Adjournment debate in Westminster Hall last week?

Mr. Speaker: Order. One question.

Mr. Simpson: You, Mr. Speaker, are ahead of me.

The Secretary of State is minded to get the Boundary Commission to consider a unitary authority for greater Norwich. The terms of reference have not been established, and the overwhelming opinion in the county of Norfolk is against the proposal, as it was the first time around. Will she include in the terms of reference the status quo, which is the majority opinion in Norfolk?

Hazel Blears: I understand the hon. Gentleman's point, although I thought that he would ask one question with many different parts. We were right to refer the matter to the Boundary Commission, because there were concerns about the criteria for the applications. We wanted to make sure that the wider area would be considered, which is what the Boundary Commission will do. I understand that the terms of reference are being drawn up, and I will consider the hon. Gentleman's point seriously and come back to him.

Children and Young Adult Services

5. **Mr. Neil Turner** (Wigan) (Lab): What assessment she has made of the effect of double damping on the funding of children's and young adults' services; and if she will make a statement. [168025]

The Secretary of State for Communities and Local Government (Hazel Blears): In the course of this summer's consultation on options for changing the formula grant distribution system, we published illustrations of what each council's level of grant in 2007-08 would have been if neither grant floor damping nor social services formula damping had been applied.

Mr. Turner: The damping of the adult and young person's element of the local government grant was to allow authorities that lost resources to adjust over two years. Authorities have had that time, and the damping is no longer morally or intellectually sustainable. Will my right hon. Friend take note of Labour Members' serious concerns about the matter, and will she make sure that resources follow needs in future local government settlements?

Hazel Blears: My hon. Friend's advocacy on behalf of authorities in relation to not only the local government formula but the health formula has been absolutely remarkable, and it helps our debate in the House to have this kind of informed discussion. He knows that I met various colleagues and members of the special interest group of municipal authorities last night, when they impressed on me the importance of the issues. The new formulae are better than the old system, because there is a better evidence base. However, he knows that I am not in a position to indicate the local government settlement today. He also knows the importance of predictability and stability, in addition to directing resources to the areas of greatest need.

Mark Hunter (Cheadle) (LD): The disparities thrown up by formula funding do not apply only to children and young adults in social care. In my constituency, for example, Kingsway secondary school, Stockport, receives nearly 20 per cent. less in dedicated schools grant than Parrs Wood secondary school, a mile up the road in Manchester. Will the Secretary of State give some indication of when that fundamental unfairness will be resolved?

Hazel Blears: The hon. Gentleman will know that local government finance is subject to a whole series of relatively complex formulae that seek to allocate funding to the areas that are in need of it. We can all raise specific issues relating to our constituencies, but we have to ensure that the system as a whole is fair. He will also know that schools funding is directly passed through to schools on the basis of the number of children and the needs in the community. That is a pretty fair system.

Mr. Frank Field (Birkenhead) (Lab): Council tax payers in the authority that I represent pay an additional 8p as a result of the Government's failure to implement their policy that money should follow needs. When will the Government's actions follow their rhetoric?

Hazel Blears: My right hon. Friend makes an important point. He will know that when we have reviewed the formula in the past there has been a change in the distributional impact in relation to the allocation of resources. As I said to my hon. Friend the Member for Wigan (Mr. Turner), the difficulty lies in balancing the new formula and the direction of those resources with the need for stability in the system. The system of floors and ceilings has been broadly acknowledged to be the right one. There will always be a discussion about how high the floor and the ceiling should be and who should contribute to that funding. We are keen to move towards implementation of the new formula as quickly as we can, balanced with stability.

Miss Anne McIntosh (Vale of York) (Con): Will the Secretary of State ensure that the needs of rural communities are reflected in Government funding? In particular, will she give the House a commitment that North Yorkshire will have fair and equitable access with regard to pupil referral units compared with other parts of the country such as West Yorkshire?

Hazel Blears: The hon. Lady will know that elements of the formula relate to rural areas, sparsity and the difficulty of delivering services. She asks about having equivalent resources for pupil referral units. Where there are needs as regards excluded children, it is absolutely essential that we provide facilities for them. The local government funding system endeavours to be as fair as possible while directing our resources, which are always limited, to the areas of greatest need.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): My right hon. Friend will know that the principle of damping has been widely accepted because we all understand that radical changes cannot suddenly be foisted on to local authorities, which have to be given time to absorb the changes that are necessary. However, does she understand that double damping, as we see it practised in social services, is causing a considerable drop in morale among treasurers' staff, who have been wringing out every pound note to get the very best value from it, and then find their efforts defeated? Wolverhampton is losing £1 million a year.

Hazel Blears: I understand the hard work that local government officers and councillors put into trying to ensure that their budget goes as far as it possibly can in meeting the needs of local communities. However, the comprehensive spending review settlement gives us a 1 per cent. real-terms rise for local government—an extra £960 million in the first year—and there will be a 2.3 per cent. real-terms rise in specific grants from the Department of Health to help us to cope with some of the demographic changes. I do not deny that it is a tight settlement and it is tough for local authorities, and I want to move to implementation of the formula as quickly as we can, but balanced with the stability that I talked about previously.

Mr. Eric Illsley (Barnsley, Central) (Lab): In arriving at the local government settlement, will my right hon. Friend bear it in mind that although the damping mechanism was designed to slow the rate of change from the old formula to the new formula, some of us now believe that the rate of change has come to a complete stop and has prevented movement to the new formula? Will she also bear it in mind that the Government are giving grant to wealthy local authorities that are able to reduce their council tax, while areas such as mine are paying excessive amounts?

Hazel Blears: Yes, I am very conscious of all these issues, the importance of which is evident in the House from the number of Members who have spoken and the passion that they feel. The new formula is based on better and more up-to-date evidence than the old formula, with pretty extensive surveys as well. I understand my hon. Friend's frustration at the slow pace of change towards its implementation, but we have to consider the matter in terms of the local government settlement as a whole. There will not be much longer to wait before we see exactly what that settlement looks like. I am very conscious of the genuine feelings on this issue in the House.

Household Rubbish

6. **Angela Watkinson** (Upminster) (Con): What discussions her Department has had with the Department for Environment, Food and Rural Affairs on charges for the collection of household rubbish. [168026]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): My Department has kept in close touch with the Department for Environment, Food and Rural Affairs during the development of its proposals for waste incentives.

Angela Watkinson: The Minister will know that large families are likely to produce the most household waste, and are least likely to be able to afford additional charges. Already, three out of four fly-tips are household waste, and this policy is likely to make that problem worse. Will he join me in congratulating the London borough of Havering, which has decided not to make any additional charges for waste collection, and will he recommend its decision to other local authorities?

Mr. Dhanda: I say to the hon. Lady, as I do to other Members, that it is up to local authorities whether they want to be among the five pilots. Before we roll out the pilots, we have to ensure that there are strong strategies in place to prevent fly-tipping, and we will do that. This process is being led by the Conservative-led Local Government Association, which is keen on incentive schemes. We need to get behind the idea because it could make a real difference to the reduction of household waste. If authorities want to leave out certain groups, such as disabled people, pensioners or family groups, it is their right to do so. We are talking about pilots, after all.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend will realise that we all pay for household collection through the council tax. Does he recognise that improving recycling is one the main contributory factors to reducing household waste? Will he re-emphasise that and send out one of his circulars to each council saying that it is up to them to decide their policies, and not this Government?[1]

Mr. Dhanda: We want to work with local authorities and, as I say, it is up to them if they want to be among the five pilots. The mood that we sense among local authorities is that this process is a positive way of reducing waste, increasing recycling and having more money to return as rebate. This will not be a profit-making exercise. Any savings made have to be paid back to the electorate through a rebate.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister will know that council tax has increased substantially in recent years, and that in those areas that have introduced two-weekly collections, an additional problem has occurred because of vermin. Will he accept that if charges are made for the collection of refuse, there should be a reduction in the council tax?

Mr. Dhanda: In some cases, it is the right of local authorities to ensure through such incentive schemes that there is no additional charge at all, but an

1. *[Official Report, 6 December 2007, Vol. 468, c. 7MC.]*

incentive to produce less waste. That could be done through smaller bins, or in other ways. The hon. Gentleman talks about non-weekly collection. He will be aware that in many cases, it is not just a question of fewer weekly collections, but of more collections of other types of waste, which is important, and of more recycling taking place during those fortnightly periods.

Paddy Tipping (Sherwood) (Lab): Would not many local authorities like the opportunity to experiment with variable charges? Provided that the pilots are cost-neutral, should we not be backing them?

Mr. Dhanda: Yes, and they will be revenue-neutral, as my hon. Friend says.

Mr. Eric Pickles (Brentwood and Ongar) (Con) *indicated dissent.*

Mr. Dhanda: I know that the hon. Gentleman has concerns about this; I read about them in the *Sunday Express* this weekend. He said

"Submissions from the Environment Agency warned: 'We are concerned that the proposals may lead to increases in fly-tipping of household waste'".

If the hon. Gentleman is particularly concerned about increases in fly-tipping, as he said in the *Sunday Express*, perhaps he should have supported the Clean Neighbourhoods and Environment Act 2005, which introduced stiffer fines for people who fly-tip, five-year prison sentences for those who are caught and tougher enforcement. If he is talking about catching such people, more of them are being caught than before.

Robert Neill (Bromley and Chislehurst) (Con): Perhaps the Under-Secretary can explain how the policy is a positive one to reduce waste when his experts and advisers suggest that it will increase fly-tipping by 155,000 tonnes a year on top of the 186 per cent. increase over which the Government have presided in the past three years. Are the pilots to be kamikazes?

Mr. Dhanda: I shall be nice and charitable to the hon. Gentleman, because I find him amusing. However, he is wrong. Let us consider examples in other parts of the world. We have not taken such an approach yet, which is why the Conservative-led Local Government Association wants to try it. In the United States, where waste incentives have been introduced, fewer instances of fly-tipping have occurred in many areas because people are taking a greater interest in recycling.

Local Government Finance

7. **Richard Ottaway** (Croydon, South) (Con): What representations she has received on the council tax in Croydon and England in the last 12 months. [168027]

The Secretary of State for Communities and Local Government (Hazel Blears): The Department for Communities and Local Government does not hold a record of representations received on council tax in Croydon and England in the last 12 months.

Richard Ottaway: Will the Secretary of State explain why the council tax payers of Croydon have to subsidise national services such as education and social services to the tune of £450 per household, when the figure for the council in the constituency of the Minister for Local Government is £110, yet the levels of deprivation are similar?

Hazel Blears: In the past 10 years, Croydon has received an average 4 per cent. increase in formula grant every year. That contrasts markedly with the 7 per cent. cut in the last four years of the Tory Government. The hon. Gentleman should recognise that his constituents are much better off under this Government's formula than under that of the previous Government.

Steve Webb (Northavon) (LD): How out of date does the Secretary of State think that council tax valuations will be by the time she gets around to revaluing or, better still, scrapping the council tax altogether?

Hazel Blears: I know that the hon. Gentleman has an unpopular policy for local income tax, which will make hard-working families much worse off. We have no plans for revaluation. Michael Lyons said in his report that the council tax was not broken, that it was basically a good tax and a property tax from which people could not hide. That is why the collection rate is 96 per cent. and more. It is the best way for us to proceed.

Housing and Planning Powers

8. **Mr. Brian Binley** (Northampton, South) (Con): What her expected timetable is for the transfer of housing and planning powers from regional assemblies to regional development agencies. [168028]

The Minister for Housing (Yvette Cooper): The changes need primary legislation and we will set out further details for consultation in the new year. That will include more information about the timetable and more details about the way in which the new arrangements need to work, including the role for local authorities.

Mr. Binley: Is it not the case that whereas Conservative Members trust local people, Ministers appear to think of them as no more than a nuisance? That view was demonstrated by the decision to transfer housing and planning powers from one distant and unaccountable regional quango to another rather than returning them to local communities, as they should be.

Yvette Cooper: The hon. Gentleman is talking nonsense. The purpose of the changes is to bring together for the first time a regional approach to economic development with an approach to planning, housing and other aspects that need to be dealt with across local authority boundaries and that cover issues that go wider than an individual local authority. It is right to examine those matters at regional level and to ensure that they are better co-ordinated than they have been in the past.

Mr. John Grogan (Selby) (Lab): Is not my right hon. Friend concerned that she may concentrate too much power in what are essentially unelected regional development agencies? For example, Tom Riordan, chief executive of Yorkshire Forward, is a fine chap, but the policy risks making him the commissar of Yorkshire. Should not he

be more accountable to local government through bodies such as Leeds City Region or perhaps accountable to a regional Select Committee?

Yvette Cooper: My hon. Friend is right that accountability matters. That is why we have said that we want local councils to sign off the economic strategy. We want a stronger role for local councils in the economic development of their regions than they have previously played. That is important. It is also important to emphasise that regional assemblies have always drawn on the housing and planning expertise of local councils. That needs to continue, and we will be clear that it must be part of the new arrangements that we will set out in the new year.

Mr. John Redwood (Wokingham) (Con): Why does the Minister persist in ignoring the strong view of the overwhelming majority of people in the south-east that the development agency and the regional assembly should be abolished and that there should be democratic accountability for the planning powers? Will she give us a referendum if she does not believe me?

Yvette Cooper: Sadly, the reason the views of the regional assembly and regional development agency are disputed in the south-east, certainly by Conservative councils there, is that they want to cut house building in the region. That is a tragic thing for local councils in the south-east to want to do, given the overwhelming need for more housing throughout the region and the number of first-time buyers who are desperately in need of more support.

Warehouse Fires

9. **Helen Jones** (Warrington, North) (Lab): What recent discussions she has had on changing building regulations to reduce the risk of warehouse fires. [168030]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): In December 2006, my Department concluded a review of all the fire safety aspects of the building regulations, including those in respect of warehouses. A number of changes were made, following extensive research and public consultation. Those changes came into force in April.

Helen Jones: I am grateful to my hon. Friend for that answer, and I know that he takes such matters seriously. I first raised the fire safety aspects of warehouses in 2002, since when we have had another warehouse fire, with tragic loss of life. As warehouses are still regarded as great fire risks, will he undertake to consult chief fire officers in England on what further changes can be made to make these buildings safer?

Mr. Wright: May I pay tribute to my hon. Friend's first-class campaigning skills in that regard, particularly following a warehouse fire in her constituency? She has had an Adjournment debate on the issue and has also raised a series of parliamentary questions. In response to her specific point, my hon. Friend the Under-Secretary of State, who is in charge of the fire service, has already held meetings on the issue and will continue to do so.

Mark Pritchard (The Wrekin) (Con): Will the Government look again at whether criminal liability should fall on directors of companies, whether small or large, in relation to health and safety issues in the workplace?

Mr. Wright: I should point out to the hon. Gentleman that there is already legislation on that. The Regulatory Reform (Fire Safety) Order 2005, which applies to new and existing non-domestic buildings, already requires that a notified responsible person for a premises should carry out a risk assessment and take necessary fire precautions to ensure the safety of the occupancy of the building.

Housing (North-East)

10. **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): If she will make a statement on provision of housing in the north-east. [168031]

The Minister for Housing (Yvette Cooper): The regional spatial strategy for the north-east, which is under review, is proposing significant increases in housing provision in the north-east over the next 10 years. We have also increased the regional housing pot for the north-east from £80 million this year to £100 million a year by 2010.

Dr. Kumar: I thank the Minister for that reply. Has she received a growth point funding bid from Tees Valley Living and Tees Valley Partnership? The bid is designed to ensure that all communities in Tees valley benefit from the growth potential in the local economy. Will she take that study seriously and consider using it as a formal model for future housing policy?

Yvette Cooper: I shall certainly consider closely the proposal that has been made. We welcome proposals for new growth points from the north-east. It is right that we should recognise the pressures on affordable housing across the north and in the north-east in particular. That is why we have welcomed proposals from the north-east for new growth points, which will build stronger communities as well as deliver additional homes.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): As the Minister is aware, a few years ago Sunderland city council transferred its housing stock to Gentoo Sunderland, formerly Sunderland Housing Group. Gentoo is in the process of renovating and renewing that housing stock. Would she be willing to accept my invitation to visit Sunderland and discuss how the Government's commitment to building 3 million new homes will dovetail in with the work already being done in Sunderland?

Yvette Cooper: I am certainly happy to visit my hon. Friend's constituency. It is important that we see the investment in improving existing homes, as well as in delivering the new homes that people need for the future.

Local Government Finance

11. **Mr. Peter Bone** (Wellingborough) (Con): What additional funding has been allocated for infrastructure to local government within the south midlands and Milton Keynes spatial expansion area in each of the next five years. [168032]

The Minister for Housing (Yvette Cooper): Since 2003, Milton Keynes-south midlands has received around £223 million from the growth areas fund and £96 million from the community infrastructure fund, to support infrastructure to back new housing in the area. We shall shortly set out the next phase of funding, as part of major infrastructure investment over the next few years.

Mr. Bone: I am grateful to the Minister for her response. Given that 52,000 new homes are to be built in north Northamptonshire over the next few years, 30 per cent. of which will be for migrant workers, and that no infrastructure programmes are being planned, will she come to my constituency and explain to the protest groups why no such infrastructure plans exist for Wellingborough as part of the growth strategy?[1]

Yvette Cooper: We have put substantial investment into infrastructure and we are going further. We have set out proposals for £1.9 billion of additional infrastructure investment over the next three years from our Department alone. That is in addition to the investment from the Department for Transport and so on. Also, we are today publishing the Planning Reform Bill, which includes proposals for a community infrastructure levy. I would encourage people in the hon. Gentleman's constituency to look properly at that and at other ways of raising additional infrastructure funding for his area.

Topical Questions

T1. [168011] **Richard Ottaway** (Croydon, South) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Communities and Local Government (Hazel Blears): I would like to make a brief statement. The Government published the Planning Reform Bill this morning. It is a further example of a Labour Government taking long-term decisions in the best interests of the economy and the environment. The Bill will modernise and speed up the planning system. We will establish our national priorities for major infrastructure projects such as airports, power stations and renewable energy, and we will speed up planning decisions in the national interest by cutting bureaucracy and red tape. This will help our economy to grow and, crucially, it will ensure that every region shares in our rising opportunity and prosperity.

Britain's planning system is over-complicated, bureaucratic and cumbersome. We risk unnecessary delay to major decisions, such as those on renewable energy, which can hold the economy back. At the moment, the big infrastructure projects take an average of two years to determine. We hope that, with the changes that we are introducing, we will be able to bring the average time down to under a year, ending years of unnecessary delays. We are taking the practical decisions to equip—

Mr. Speaker: Order. The Secretary of State gets a minute, and we have given her a minute.

Richard Ottaway: I rise on behalf of the pigeon fanciers of Croydon and the nation as a whole. Was the Secretary of State as concerned as I was to discover that pigeon racing clubs are not exempt from business rates? Pigeon racing is a magnificent sport, and the winner of the Pau grand national, a bird called Pauline, comes from my constituency. As horse racing and polo are exempt, will the Secretary of State join me in the campaign to fight the pigeon tax?

Hazel Blears: I am very tempted indeed. The very first Labour party meeting I went to, many years ago, was in the back room of a pub called the Dungeon Inn. As I sat down in my seat alongside six men in flat caps, feathers rose up either side of me. I later found out that the pigeon club met in the same pub on Tuesday evenings. I am tempted to join the hon. Gentleman, and I will look into the rules on business rates. Perhaps we can get together with Pauline and launch a campaign that will really fly.

Mr. Lindsay Hoyle (Chorley) (Lab): In Chorley, we are seeing a lot of planning permissions that do not reflect local housing need. Will my right hon. Friend ensure that, when planning permissions are granted, they are not for private four-bedroom detached houses, but for low-cost rented housing that suits local needs and helps to ensure that waiting lists are reduced? At the moment, that is not happening.

The Minister for Housing (Yvette Cooper): My hon. Friend makes an important point. I urge his local council to look carefully at the new planning rules that we introduced in the spring. They say that local authorities have to do more to bring forward more land for housing, and they also give the authorities a greater ability to determine what kind of homes are needed in their area, because those needs will differ from one area to another. Local authorities need to look more closely at that issue, and to use those planning powers. We are also increasing the investment in affordable housing for the north-west, and the local authorities and housing associations in that area should be putting in bids for that new investment as well.

T2. [168012] **Mr. David Amess** (Southend, West) (Con): In an effort to prevent another Government disaster, and given the Department's enthusiasm for the Thames Gateway, will the Secretary of State consider co-ordinating action across other Departments to look at cliff slippage in Southend, which is now presenting a real danger to road and rail passengers?

The Secretary of State for Communities and Local Government (Hazel Blears): I am aware that this is a serious issue, and I understand that the urban regeneration company in Southend is working with various Government agencies to see what practical measures can be taken to reassure local people. I would hate to see a situation in which the hon. Gentleman was perhaps teetering on the edge of a precipice; it would not be for me to push him over the edge. We will take a very careful look at the matter.

1. *[Official Report, 6 December 2007, Vol. 468, c. 7MC.]*

T3. [168013] **Helen Jones** (Warrington, North) (Lab): The Government's commitment to providing more affordable housing is very welcome, but one of the great needs in my constituency is more rented housing, as well as more affordable housing to buy. What do the Government plan to do to increase the availability of rented housing for those who either cannot afford or do not wish to buy, and what role do they envisage local councils having in providing that rented housing?

The Minister for Housing (Yvette Cooper): My hon. Friend is right that we need more market housing and shared ownership housing, and more social housing as well. We are clear that the plan for 3 million homes by 2020 requires an expansion in all kinds of housing. We are increasing investment for the north-west to support more affordable housing. We want housing associations to bid, but we are also making changes in the Housing and Regeneration Bill, which we are debating later today, that will make it easier for councils to put forward bids for funding to build more social housing.

Mr. Eric Pickles (Brentwood and Ongar) (Con): I would like to ask a question on planning procedures. Besides using intermediaries to make donations to the Labour party, Mr. David Abrahams used the same method to apply for planning permission. Will the Minister now agree to a review of regulations so that the true identity of the applicant is not hidden from the public?

The Secretary of State for Communities and Local Government (Hazel Blears): Yes, I think it is essential that people have trust in the integrity and transparency of all our systems in government, and I certainly undertake to look at the issue and to try to ensure, as far as we possibly can, complete transparency in applications. It is important that people know exactly what has taken place.

Mr. Pickles: In the interests of that transparency, can the Secretary of State explain why Government objections to the building of a business park on the established green belt of County Durham were suddenly and unexpectedly withdrawn? What steps were taken to ensure that the persons withdrawing the Government objections knew that the directors of the developers, Durham Green Developments—a Mr. Ruddick and a Mrs. Kidd, both employees of Mr. Abrahams—made a substantial donation to the Labour party? In view of the controversy surrounding the business park, will she release all Government papers relating to the development?

Hazel Blears: The hon. Gentleman is aware that the issue has arisen very recently indeed and that it concerns the Highways Agency; it is certainly not an issue that involved Ministers in the process. He has raised some important issues, and I will certainly undertake to liaise with my colleagues in other Departments to ascertain exactly what happened. I can also give him an undertaking that the Government will be transparent in all their dealings on this matter.

Mr. Andrew Love (Edmonton) (Lab/Co-op): The decent homes programme has now reached its final stages of bringing all local authority accommodation up to a reasonable standard. If the arm's length management organisation in my local authority is to be up and running by April next year, it needs an announcement on setting up and on funding by the end of this year. Can my right hon. Friend help?

Yvette Cooper: My hon. Friend makes an important point about the decent homes programme, which has already helped literally millions of people into better homes, including lifting more than a million children out of cold, damp or poor housing. We are keen to get the final phase of ALMOs going, and we are working with individual ALMOs at the moment, as some are at different stages of readiness from others. We want to see the £2 billion that we are putting into ALMOs over the next few years well spent, but I certainly undertake to look at the issue for my hon. Friend as fast as possible.

T4. [168014] **Mr. Douglas Carswell** (Harwich) (Con): The Government's talk about localism and the need to devolve power to local communities is to be welcomed, but does the Secretary of State have plans to localise control over finance? Specifically, does she have plans to devolve revenue-raising powers from Whitehall to the town hall?

The Secretary of State for Communities and Local Government (Hazel Blears): The hon. Gentleman has a record on localism for which he can take some credit. It is unfortunate that he is a member of a party that does not have such a proud record on it. It is a party that abolished London-wide government and denied devolution to Scotland and Wales, so I question its credentials on localism. On the matter of revenue raising, we have taken forward proposals to look at supplementary business rates and a range of issues where it is possible to raise more revenue for specific local projects that people want to pursue. I would also commend to him our work on participatory budgeting, giving local people a real say in how budgets are spent at local level. Those are the real issues that people want to get involved with.

David Taylor (North-West Leicestershire) (Lab/Co-op): The ballot for a coerced stock transfer of council housing in North-West Leicestershire has been stalled for several months because the local authority believes that it would not secure a yes vote. The leader of the council has approached the Minister for Housing with suggestions whose implementation might accelerate the whole process. Can she tell the House when a reply will be given to North-West Leicestershire, so that the ballot can go ahead and the damaging uncertainty that hangs over local authority housing in my constituency can finally be lifted?

The Minister for Housing (Yvette Cooper): As my hon. Friend says, the leader of his local council came to see me to present proposals that he wanted the Government to consider. We have said that we will look into them in some detail. The council leader was interested in alternative approaches, and it is right for us to consider them thoroughly because they raise various issues. I shall be happy to keep my hon. Friend in touch with the work that is in progress, and to respond to him as soon as possible.

T5. [168015] **Miss Anne McIntosh** (Vale of York) (Con): *Has the Secretary of State made an estimate of* the cost to councils of the damage to infrastructure—particularly bridges, roads and drains—of the summer floods? While answering the question, will she also please now tell us who is responsible for repairing the drains?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): The hon. Lady will be aware that councils have been working very closely with not just our Department, but a number of others on these issues. I know that in my capacity as Member of Parliament for Gloucester as well as in my capacity as Under-Secretary of State.

To date, about £63 million has been made available to local authorities, some of it paid directly to the most local tier of local government. As this is an ongoing process, it is important for the relationship between Government and councils to be maintained, and we will ensure that all Departments join in ensuring that that happens. I shall be happy—as, I know, will my hon. Friend the Minister for Local Government—to discuss any specific concerns that the hon. Lady has about her area.

T6. [168016] **Paul Holmes** (Chesterfield) (LD): The details of the local government settlement are to be announced shortly, but all those involved in local government already say that they face dire financial circumstances because the Government have consistently underfunded the increased costs of recycling, an ageing population and concessionary fares. What reassurance can the Secretary of State offer local authorities of all political complexions, including Labour-run Sheffield city council, Derbyshire county council and North East Derbyshire district council, all of which have confirmed that they face cuts in the next two or three years?

The Secretary of State for Communities and Local Government (Hazel Blears): I can tell the hon. Gentleman that over the past 10 years there has been a 39 per cent. real-terms increase in local government finance, and that over the next three years there will continue to be real-terms increases for local government. In the first year, there will be an extra £960 million. I remember the days when, as a local councillor, I spent 10 years cutting budgets in real terms. That happened every single year. It is a very different scenario nowadays. He mentioned concessionary fares. There is £212 million for concessionary fares, which should meet all the costs of local authorities.

Mr. David Chaytor (Bury, North) (Lab): I think I am right in saying that the historic meeting at the Dungeon Inn to which my right hon. Friend referred took place at the Dungeon Inn in my constituency. It would be good to have that on the record.

In the context of local government and climate change, does my right hon. Friend accept that local government and ALMOs can do far more to promote energy efficiency? Does she think that real-time electricity monitors have an important role in encouraging consumers to pay closer attention to their electricity demands, and what is she doing to encourage local authorities and ALMOs to install them?

Hazel Blears: My hon. Friend makes some important points. Local authorities can do a range of things, but making people more aware individually of both their consumption and their carbon footprints is a way forward. I also think that local authorities could do more about combined heat and power.

Apparently, in Germany there is community composting: communities go and compost together. I think that that sounds a really good idea. Perhaps it could provide the best night out of the week.

T7. [168017] **Martin Horwood** (Cheltenham) (LD): In wondering what first attracted the Labour Government to millionaire property developer, David Abrahams, may I ask whether Ministers will confirm whether any Minister has had discussions with him over the content of the Planning Reform Bill?

The Secretary of State for Communities and Local Government (Hazel Blears): No Minister has had discussions with Mr. Abraham about the Planning Reform Bill.

T8. [168018] **Mrs. Maria Miller** (Basingstoke) (Con): My local authority, Basingstoke and Deane borough council, this month announced a 30 per cent. increase in recycling over the past 12 months. It should be well and truly congratulated on that achievement. Does the Minister agree that rather than considering putting taxes on our bins, the Government should do more to help local authorities such as mine to increase the number of items that can be recycled by the community, and in particular, examine schemes such as that run by Tetra Pak?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): Recycling has quadrupled in the past decade, and we should celebrate that fact. As I said earlier, the changes that we are discussing in respect of what local authorities may wish to pilot on waste incentives are not about new burdens or new taxes, because things must be revenue neutral. Any money that comes out of the process must be reimbursed to local constituents. This is a matter for local authorities, and it is up to them to put forward their ideas.

Points of Order

3.31 pm

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Mr. Speaker. I hope that you can help us with the interpretation of Standing Order No. 24A on topical debates. On Thursday, the Leader of the House said that she was delaying the announcement of the subject of this week's debate

"in order to ensure hot topicality".—[*Official Report*, 22 November 2007; Vol. 467, c. 1347.]

How can her chosen subject of apprenticeships, which was announced yesterday evening, meet the criterion of topicality better than illegal donations to the Labour party and Ministers? How can the Leader of the House be seen to be acting objectively in deciding on what is topical when tonight's *Evening Standard* makes it clear that she may have a direct personal interest in this?

Sir Nicholas Winterton (Macclesfield) (Con) *rose*—

Mr. Speaker: Order. Is it the same point of order?

Sir Nicholas Winterton: Further to that point of order, Mr. Speaker. I am interested in this House and the use of topical debates. Is it not important that the House has meaningful involvement in the decision on what topical debate should take place? To leave this just to exchanges across the House is not good enough. Why will the Leader of the House not consult the shadow Leader of the House and minority parties on what truly constitutes a topical debate?

Mr. Speaker: The Standing Order clearly states that this is a matter for the Leader of the House. Whether the Leader of the House consults others is a matter for her to decide; it is not a matter for me. In answer to the hon. Gentlemen, I can say that the Standing Orders, which are the rules that the House has given me, have said that this is a choice of the Leader of the House.

Mr. William Cash (Stone) (Con): Further to that point of order—

Mr. Speaker: Order. It is not further to that point of order, because I have explained the situation. There can be no more points of order on that matter.

Mr. Cash: I beg your pardon, Mr. Speaker, but—

Mr. Speaker: Order. The hon. Gentleman cannot pursue this matter. I have given a ruling on it. If he is going to open up on it again, he will be given the same ruling. He is drawing the Chair into an argument, and that is unfair.

Mr. Greg Hands (Hammersmith and Fulham) (Con): On a point of order, Mr. Speaker. You will recall that two weeks ago, during Prime Minister's questions, I asked the Prime Minister a question about a man who appears on the United Nations list of those belonging to or associated with al-Qaeda yet who is being considered for indefinite leave to remain. I received a written answer from the Prime Minister, as he promised, 12 days later. It simply suggests that I take up the matter with the Minister for Borders and Immigration. How can you ensure that when the Prime Minister says he will give an answer in writing, he does so promptly and that he answers the question?

Mr. Speaker: In actual fact, the Prime Minister gave the hon. Gentleman an answer. He said that a Minister is responsible for immigration, and it is up to the hon. Gentleman to take the matter up with that Minister. My strong advice is to do so and to say to that Minister, "The Prime Minister told me to come to see you." That is the way to do it.

Mr. John Baron (Billericay) (Con): On a point of order, Mr. Speaker. I do not wish to draw you into the discussion about topical debates, but could you advise us on the best way to make the Leader of the House's decision transparent, so that all may see how she comes to her decision on the subject for the debate on a Thursday afternoon?

Mr. Speaker: Every week, the Leader of the House comes here for business questions, and the hon. Gentleman can put such matters directly to her. That would be his best approach.

BILL PRESENTED

Planning

Secretary Hazel Blears, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Hilary Benn, Mr. Secretary Hutton, Secretary Ruth Kelly, Yvette Cooper and John Healey, presented a Bill to establish the Infrastructure Planning Commission and make provision about its functions; to make provision about, and about matters ancillary to, the authorisation of projects for the development of nationally significant infrastructure; to make provision about town and country planning; to make provision about the imposition of a Community Infrastructure Levy; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on 28 November, and to be printed. Explanatory notes to be printed. [Bill 11].

Orders of the Day

Housing and Regeneration Bill

[Relevant documents: The Third Report of the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee, Session 2005-06, HC 703, on Affordability and the Supply of Housing, the Government's response thereto, Cm6912, and the uncorrected transcript of evidence taken before the Communities and Local Government Committee from the Minister for Housing on Tuesday 9th October 2007, on the Housing Green Paper, HC 1038-i.]

Order for Second Reading read.

Mr. Speaker: I have to inform the House that I have selected the amendment in the name of the Leader of the Opposition.

3.35 pm

The Minister for Housing (Yvette Cooper): I beg to move, That the Bill be now read a Second time.

The Bill will help to turn our ambitions for 3 million new homes by 2020 into a reality. Those homes are desperately needed by first-time buyers, families on council waiting lists and those who are frustrated by the lack of sufficient affordable homes. The Bill is not simply about building more homes; it is about building better homes, underpinning the new timetable for all homes to be zero-carbon and building stronger communities by better linking housing and regeneration. The Bill is also about delivering a better deal for tenants in social housing, giving them greater choice and a stronger voice in decisions on how their homes are managed.

We know that housing is a central concern for families across the country and it is a central priority for this Government.

Mr. Lindsay Hoyle (Chorley) (Lab): I made the point in Question Time earlier that never before has Chorley had people in bed-and-breakfast accommodation, but it is happening now because of the lack of rented accommodation in what is a wealthy constituency. The problem continues to grow because the local authority is failing to make provision. What can the Minister do to ensure that it will not happen in the future?

Yvette Cooper: My hon. Friend is right. This is a serious and urgent issue for those families who do not have adequate homes and it affects every aspect of their lives—their children do not have enough space to do their homework, among other problems. That is why we have to build more homes, including more affordable homes. We must increase investment in social housing as part of that programme, and we want the Bill to make it possible to deliver those homes faster and more effectively.

Bob Russell (Colchester) (LD): Will the Minister confirm that in 10 years of Labour Governments only 5,000 council houses have been built? How many council houses will be built as a result of the Bill?

Yvette Cooper: As the hon. Gentleman will know, the majority of the investment through the Housing Corporation in new social housing goes through housing associations, which are able to borrow independently and lever more resources into new homes. That is why 30,000 new social homes will be built this year. We have said that that needs to increase to 45,000 over the next three years as part of the investment that we are putting in. We also want to make it easier for councils to build council homes, as well as housing associations building homes, and the Bill includes measures to achieve that. Of course, councils will need to make bids and be assessed by the Housing Corporation. We want to make it easier for them to do that and that is why we are making changes.

Mr. John Redwood (Wokingham) (Con): Over the period of the planned 3 million homes, what is the Government's forecast of how many additional people will come from overseas to live here?

Yvette Cooper: As the right hon. Gentleman will know, the Office for National Statistics forecasts the growth in population. The population is also ageing and more people live alone, so demographic change is also occurring. Some two thirds of the increase in households will occur because more people will live alone, including many older people. We have to address many kinds of demographic pressure, and that is why we need to build more homes.

Mr. Edward Garnier (Harborough) (Con): I am most grateful to the Minister for giving way. May I help her to help the hon. Member for Chorley (Mr. Hoyle)? He needs more houses in his area, and the Co-op owns—

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): My right hon. Friend does not need the help!

Mr. Garnier: I am speaking to the Minister, not the hon. Lady. In my constituency, the Co-op owns about 5,000 acres of farmland on which it wishes to build up to 20,000 homes. The settlement is called an eco-town, but it will not be environmentally friendly. Unemployment in my constituency is 1 per cent., and although we welcome activity we do not need new jobs to be created in our area. The jobs to go with the eco-town will be imported, just like the houses. It seems to me that it would be better to place them near the Co-op headquarters, in Chorley.

Yvette Cooper: The hon. and learned Gentleman is lucky not to need additional jobs in his area but, given the pressures on affordable housing right across the country, I would question whether people there do not need more homes. He will know that I cannot comment on individual proposals for eco-towns, but we welcome the fact that 50 proposals have been made for such new towns. Although some are not appropriate or acceptable, we will say more about the ones that are in the new year.

Mr. Dennis Skinner (Bolsover) (Lab): Will my right hon. Friend give way?

John Bercow (Buckingham) (Con): Will the Minister give way?

Jeremy Corbyn (Islington, North) (Lab): Will my right hon. Friend give way?

Yvette Cooper: I need to make some progress, but I will take a couple more interventions, first from my hon. Friend the Member for Islington, North (Jeremy Corbyn) and then from my hon. Friend the Member for Bolsover (Mr. Skinner).

Jeremy Corbyn: I thank my right hon. Friend for giving way. New council houses are desperately needed all over London, but will she assure me that any council tenancies granted under the new scheme will be the same as existing agreements? It is not a question of social rent; the new tenancies must last for a lifetime, just as they do at present. Will she guarantee that there will be no change in the current arrangements?

Yvette Cooper: The Bill allows councils to offer council tenancies. We need that change in the legislation; otherwise councils might not have been able to offer council tenancies for the homes that they have built. We believe secure tenancies to be extremely important, and that is why we propose some of the changes in the Bill. We also want to encourage the building of more affordable social and shared-ownership housing to meet the needs of people in all sorts of circumstances.

Mr. Skinner: I thank my right hon. Friend for giving way. The Meden valley "Making Places" scheme in the Bolsover and Mansfield area has led to 300 or 400 colliery houses being saved. Without that wonderful scheme, the region would have been facing an even bigger problem than it does already, so can it be extended to some of the other coalfield areas? We have already discovered one nimby on the Opposition Benches who does not want any council houses in his area but there are lots of potential clients on this side of the House, so will she give us first option?

Yvette Cooper: My hon. Friend is right. My constituency is also a coalfield area, and we support the building of more homes on the former pit sites. Regeneration can be achieved through housing as well as through jobs, and we are putting investment into existing homes as well as into new ones. Many Opposition Members think that the north is a low-demand region, but that is a mistake. Many parts of the north face serious pressures when it comes to affordable housing. We need to build more homes in those areas, as well as in the south.

Mark Pritchard (The Wrekin) (Con): Will the Minister give way?

John Bercow: Will the Minister give way?

Dan Rogerson (North Cornwall) (LD): Will the Minister give way?

Yvette Cooper: Some Opposition Members are so desperate to get in that I cannot resist taking their interventions. I give way first to the hon. Member for The Wrekin (Mark Pritchard).

Mark Pritchard: I thank the Minister for giving way. I have an important question, and am certainly desperate for an answer. Over the next few weeks and months, the Minister will be reflecting on housing need across the nation, but will she also think about the needs of our armed forces in that respect? Is she aware that many British forces personnel posted overseas are unable to get mortgages from UK companies for homes in the UK? They are fighting for our freedoms in Afghanistan and Iraq, but the Council of Mortgage Lenders and its friends are not interested in lending them money. That has encouraged many of those personnel to be less than candid about whether they have an existing residence in the UK. Will the right hon. Lady give the House a commitment that she will meet Defence Ministers to deal with this very serious problem?

Yvette Cooper: The Bill already makes changes that will support those who leave the armed services so that they can be properly treated if they need homelessness assistance or if they are waiting for social housing. We want to do more to help those in or leaving the armed forces to be able to buy affordable housing and shared-ownership housing, and we are already working with the Ministry of Defence on that issue. I am obviously happy to look into the matter further.

Several hon. Members *rose—*

Yvette Cooper: I am worried that the hon. Member for Buckingham (John Bercow) will topple over the Bench, so I will take his intervention first. I will take four more interventions, but then I must make some progress.

John Bercow: I am grateful to the Minister of State both for her generosity and for her concern for my physical health.

The draft south-east plan presented to the Government in March 2006 proposed the creation of 28,900 new homes per year. I do not sniff at that—there is a need for new housing—but the plan added the rider that the creation of new homes should be closely related to the availability of infrastructure and associated services. Now that the Government's panel of planning inspectors has said that it does not accept that new home levels should be contingent on infrastructure, I eagerly anticipate discovering on which side of the argument the Minister falls.[1]

Yvette Cooper: The hon. Gentleman knows that I obviously cannot comment on the details of the south-east plan, which is still going through the planning process. However, he will be aware of my frequently stated view that at a time when we face growing pressure from first-time buyers and rising demand for new housing the South East England regional assembly's proposal to cut the level of new housing in the south-east is bonkers. It is not an appropriate position for that regional assembly to have adopted. We need more housing, but I agree with the hon. Gentleman that we need more investment in infrastructure. From my Department alone, we set out proposals to increase the level of infrastructure to £1.9 billion over the next few years; there are proposals from other Departments, too. Today, as part of the Planning Bill, we published details of the community infrastructure levy that will allow local councils to raise additional resources for local infrastructure. I urge the

1. *[Official Report, 6 December 2007, Vol. 468, c. 8MC.]*

[Yvette Cooper]

hon. Gentleman and his party to support that proposal so that we have the parks and play areas as well as the new transport systems we need to support new homes for the future.

Dan Rogerson: What provision does the Bill make for housing options for groups of people with specific needs, such as those who experience mental illness or who have suffered spinal injuries?

Yvette Cooper: The hon. Gentleman will be aware that the supporting people budget has substantially increased the amount of provision for people who need extra help with their housing, such as those with mental health problems, homelessness difficulties or care needs. We want and expect the Homes and Communities Agency to continue the work of the Housing Corporation in funding, where appropriate, particular dedicated types of housing and support.

Mr. Jim Cunningham (Coventry, South) (Lab): My right hon. Friend is talking about the building of houses for rent, particularly for the low-paid. Will she ensure that those houses are eco-friendly, and can she tell us something about the eco-friendly villages that could be created to improve the environment?

Yvette Cooper: My hon. Friend is right. We must not simply build more homes, but build better homes. That includes cutting carbon emissions from new homes. We have set the most ambitious target of any country in the world—that all new homes should be zero-carbon by 2016. Before that, we want proposals for eco-towns and smaller developments that will reach much higher environmental standards right across the development, not only for the homes but also for the pubs, clubs and schools—even eco-offices.

Mr. Andrew Smith (Oxford, East) (Lab) *rose—*

Yvette Cooper: I will give way to my right hon. Friend but then, if Members will allow me, I shall make a bit of progress before taking further interventions.

Mr. Smith: I am grateful to the Minister; she has been generous.

I warmly welcome the Bill, but how does my right hon. Friend see its provisions and the work of the new agency tackling a pressing problem in my area and a number of others—to bring more quickly into use sites that could be suitable for social housing but are blocked at present, not least by some Opposition Members?

Yvette Cooper: My right hon. Friend is right: critical to delivering additional homes is the bringing into use of appropriate land for new affordable and market homes. The new planning rules and changes to the local framework will achieve that, but in addition we want more public sector land—rapidly—so that we can build more homes on it. The whole point about the Homes and Communities Agency is that it will bring together for the first time public sector land and public sector investment in housing; and bringing those two things together will give us a huge opportunity to accelerate the delivery of new homes on public sector land—to build the homes that families across the country badly need and to give them a secure place they can call their own home for the future.

Several hon. Members *rose—*

Yvette Cooper: I have taken several interventions and I will happily take more later on, but I hope that Members will allow me to make a little progress for now.

Since 1997, we have made important progress in improving existing homes, with investment in the decent homes programme. Investment of more than £20 billion has helped more than 1 million children out of cold, damp and poor housing, transforming their lives as a result. We have seen a drop in the number of people sleeping rough on the streets, and we have also seen low mortgage rates and long-term economic stability help more than 1 million more people into home ownership.

We have an ageing and growing population and we have more people living alone, and for more than a generation this country has simply not built enough homes to keep up with demand. We need more market housing, more social housing and more shared-ownership housing. Young families can face the greatest pressures. Many of them struggle to take their first step on the housing ladder, with 40 per cent. of first-time buyers now having to rely on their family and friends to raise a deposit, which is simply unfair, and hundreds of thousands of families are on the waiting list for social housing. We owe it to them to do more.

House building has increased substantially over the past few years. More land is being identified for homes, but we need to do more. The Prime Minister has said that by 2016 this country must be building 240,000 new homes per year—2 million homes by 2016 and 3 million more by 2020. This is not just about building more homes, however; those homes must also be more sustainable and in strong communities. The housing Green Paper published in July set out a wide range of measures to support more and better homes, ranging from new eco-towns to better use of public sector land. The Bill is crucial to helping us deliver that vision.

Delivering the homes we need depends on the house builders and the private market, and on housing associations and their investment decisions. However, as we set out in the Green Paper, it also critically depends on local councils, through their planning decisions, through allocating land for housing, through use of their own land—for example, through local housing companies—through their assessment of housing need, through their promotion of affordable housing and through their ability to promote higher standards.

Councils cannot do that alone, however. Often they need help with funding, with land and with expertise. That is why the Bill creates the new Homes and Communities Agency to provide that essential support and help us deliver those badly needed new homes. The agency will bring together the functions of English Partnerships and the Housing Corporation. Therefore, responsibility for public sector land and public sector investment will be brought together properly for the first time. We are putting unprecedented levels of new

investment into affordable housing—£8 billion over the next three years—but we have to make sure that we get the best possible results for that affordable housing.

Joan Walley (Stoke-on-Trent, North) (Lab): I am most grateful to my right hon. Friend for giving way. I think that the whole House welcomes the proposals. On the subject of trying to build eco-towns and sustainable low-carbon footprint homes, and given the debate that is currently under way in the other place on climate change, as this Bill progresses will my right hon. Friend consider whether there should be a duty on the new agency to incorporate and have regard to sustainable development? In the past, we set up the regional development agencies without a specific duty, but it is not enough just to say that they "may" have regard to sustainable development. Will she consider them having to have regard to that?

Yvette Cooper: Clearly, the Homes and Communities Agency has to operate within the framework of the planning system, and, as my hon. Friend may be aware, we will shortly set out a new planning policy statement on planning for climate change and how we can better work for new development to cut carbon emissions. The Homes and Communities Agency must work within that framework, and the Housing Corporation, one of the component parts of the new agency, is already promoting higher standards in new social housing than is currently expected in the private sector market. Therefore, it is already leading the way in cutting carbon emissions, but we are certainly keen on looking at what more we can do.

Several hon. Members *rose—*

Yvette Cooper: I shall give way very briefly.

Mr. David Chaytor (Bury, North) (Lab): On affordability, the typical starter home in my constituency costs between £80,000 and £100,000. That is beyond the means of many young people in Bury, North. The Opposition want to cut stamp duty on homes worth £250,000. What is the best way of helping young families in my constituency: increasing the supply of homes they can afford or cutting taxes on homes they could never afford?

Yvette Cooper: My hon. Friend makes an important point. If one simply cuts stamp duty and does not build more homes, at a time when supply is limited all that happens is that prices go up, and home buyers are no better off. It is important that we recognise the real pressures that people face. That is why building more shared-ownership homes offers a huge opportunity. We are funding 25,000 more shared-ownership homes through the Housing Corporation next year, but we want to go further—through local housing companies and other programmes.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Since his election, the Mayor of London has hugely increased the supply of affordable housing—by 10,000 additional units a year. However, the Bill does not specifically require the Homes and Communities Agency to work with the Mayor on the delivery of affordable homes. I am sure that that is an omission of no great significance, but will the Minister ensure that the Homes and Communities Agency works with successful deliverers of affordable housing, such as the Mayor of London?

Yvette Cooper: My hon. Friend makes an important point. She will know that the Housing Corporation is tasked to deliver the Mayor's affordable housing strategy in London and we certainly envisage the Homes and Communities Agency being able to do the same thing. We would expect it to support the Mayor in his strong promotion of affordable housing and his target that 50 per cent. of homes put through the planning system should be affordable. I notice that the Opposition's mayoral candidate, the hon. Member for Henley (Mr. Johnson), has rejected that target. That is a sad indictment of his lack of commitment to affordable housing in the capital.

Mr. Mike Hancock (Portsmouth, South) (LD): I am enthused by the idea that the Government are going to give more help to local authorities, perhaps to build more council houses. However, does the Minister have any plans to alter the legislation on the housing revenue account subsidy? Over the next 10 years, my city of Portsmouth will lose £100 million, which will go elsewhere, from rents paid by council tenants in the city, just because we have looked after our houses better than other local authorities. If she is genuine about wanting to help local authorities, changing or abolishing that system alone would go a long way to help.

Yvette Cooper: The hon. Gentleman may want to look more carefully at the Bill, because it includes proposals to make it possible for local councils to be taken outside the housing revenue account system—with support for pilots and the potential for greater reform to the housing revenue account system. The important principle that underlies the housing revenue account is the recognition that there are different needs in different parts of the country, and there were different historical funding arrangements. There is an important and fair principle of redistribution underpinning the housing revenue account. However, there are fundamental problems with it. It does not deliver the most effective long-term management of the housing stock by local councils. That is why we have said we want to set up the pilots—to look at what appropriate longer-term reforms could be made to the housing revenue account to deliver a fairer deal for every part of the country.

Mr. David Winnick (Walsall, North) (Lab): What can my right hon. Friend do to encourage local authorities to ensure that, when planning applications are being made for new build by the private sector, there is a large percentage—30 to 40 per cent.—of social housing? In my borough, that has not occurred on anywhere near that scale. The average wage in my constituency is just over £20,000. There is a desperate need for new affordable social housing. I hope that her Department will look into that.

Yvette Cooper: My hon. Friend has made an important point and I will certainly look at what can be done to help local councils do more through the planning system.

Several hon. Members *rose—*

Yvette Cooper: I have taken a huge number of interventions and I really need to make some progress.

There are a series of important measures in the Bill, including the setting up of the Homes and Communities Agency, which I have described for hon. Members, and the new Office for Tenants and Social Landlords, which will have a statutory objective to protect the interests of tenants. Where landlords fail to meet standards, the regulator will have new powers to step in with fines and enforcement measures. There are measures to strengthen the voice of tenants in council homes, especially where stock transfers are being considered. The Bill makes possible a wider series of pilots and reforms to the housing revenue account, which is not the best framework for councils to use to manage their stock in the longer term.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend give way?

Yvette Cooper: I will not; I need to make some progress. I apologise to hon. Members.

The Bill sets out an important series of changes, and I urge Opposition Members to support its main purpose. They have said that they plan to oppose the Bill, and that is a matter of huge regret, given the important measures that it introduces. We would welcome political consensus on the amount of housing needed. After all, in the 1966 election, all three major parties ran on the same pledge to build 300,000 homes a year. I ask Opposition parties to join us now in a commitment to building 240,000 homes a year from 2016, and to join us in making a commitment that they should all be zero-carbon. Some 170 organisations across the country have done so already, ranging from house builders to green groups, from councils to housing charities, from the CBI to the TUC.

I ask Opposition parties to join us in backing 240,000 zero-carbon homes a year. If they think that that is the wrong figure, they should tell us how many homes they think the country needs. Let us have a debate about it. The national housing and planning advice unit has said that the number should be 270,000; there are different views on the subject. How many homes do Opposition Members think that the country needs—or are they just afraid to admit that they want to cut new housing and betray first-time buyers who need more homes?

The hon. Member for Surrey Heath (Michael Gove)—the predecessor of the hon. Member for Welwyn Hatfield (Grant Shapps)—said that 200,000 homes were not enough, and he was right—we need 240,000. The hon. Member for Brentwood and Ongar (Mr. Pickles) told *Inside Housing* that the Conservative priority would be

"housing numbers, housing numbers, housing numbers".

Fine, but which ones? A person cannot be serious about housing needs for the nation if they have no view on how many homes the nation needs. Hon. Members need to set out what they think the needs of the nation are.

It is simply not enough to hide behind local councils and what they want, because many councils now back more housing. Large numbers of councils are coming forward to be growth points, and to support proposals for eco-towns and local housing companies. They are coming forward because they want to work with the Government and—once it is set up—with the Homes and Communities Agency that Opposition Members oppose.

What about the key Conservative local councils that should be supporting more homes? We know that councils across the south-east argue for a cut in the level of house building, but the problem is not simply in the south-east. Let them travel with me to Yorkshire and listen to the Yorkshire Conservative leaders. A Tory leader in Leeds has said that regional housing figures are "unsustainable and unattainable". The Tory leader in Kirklees went further:

"Building the number of houses they're talking about is, for the vast majority of councils in this region, totally impossible... We haven't got the ambition and we don't see the need yet to build more and more houses."

That is in Yorkshire, a region with large amounts of brownfield land, house prices that have shot through the roof, and house building rates that have simply not kept up with the number of new households forming each year.

Let me be clear that I do not criticise those councils for opposing or turning down bad developments—they should; that is their job. There are still too many dreadful developments that should not get the go-ahead. There are some stupid proposals in unsustainable locations that should be turned down. I do not criticise them or Opposition Members for opposing inappropriate developments, but I do criticise Opposition Members for opposing overall increases in housing, and for arguing for overall cuts to housing, as they have repeatedly done.

I have often teased the hon. Member for Welwyn Hatfield for his "No Way to 10k" campaign—the temptation is just too great—but I would not criticise him if he simply opposed the odd block of flats or the odd floodplain development. However, I do criticise him for trying to cut the overall number of homes being built across the country. His attitude is epitomised in a phrase that he used just a few months ago, when he said:

"Much as we all disliked the Regional Assembly, it did at least put up some resistance to the Government's plans to build tens of thousands of new houses".

That is what the hon. Gentleman wants to do—fight plans for tens of thousands of new homes. That is a betrayal of tens of thousands of first-time buyers and the abandonment of tens of thousands of families waiting on council lists or in overcrowded accommodation. It is not fair on those families to try to block all those new homes.

Sir Paul Beresford (Mole Valley) (Con): Will the right hon. Lady give way?

Yvette Cooper: I ask Opposition Members even now to reconsider and back our plans for 240,000 new homes and for a big increase in affordable housing. I will give way to the hon. Gentleman if he will back those additional homes and the additional investment that we want to put into building affordable homes.

Sir Paul Beresford: May I explain to the Minister that in my area both of my Conservative local councils are meeting their targets and building the houses? It is not the numbers that concern them, but the location. They are deeply concerned when they see, at an inquiry about a waste incinerator, a gentleman by the name of David Mellor looking at an area like Wisley, on the edge of the greenbelt, where the Royal Horticultural Society's garden is located. David Mellor is fronting an organisation that has bought a lot of that land with the wish to put an incinerator on it and an eco-town around it. What is curious is that he seems to have some inside information very early. Perhaps the Minister might look over her shoulder.

Yvette Cooper: The hon. Gentleman knows that I cannot comment on individual planning applications or on any proposals for eco-towns at this stage in the process. However, we need every council in every part of the country to recognise that they need to increase their ambitions for more homes. Faced with the growing need for affordable housing and for housing across the board, every region in the country needs additional housing.

Opposition Members should take the opportunity to change their position, back more homes and back the extra investment that we need. Let them pledge today to support this unprecedented level of investment in new social and shared-ownership housing. Let them back plans for £1.9 billion of investment in infrastructure, and back plans for a community infrastructure levy for councils to raise the additional cash, as we have set out in the Bill. I urge them to pledge today that they would not cut that additional funding.

Let Opposition Members reconsider and support the Bill that will help us deliver the extra homes in the long run. The central proposal to bring together public land and public housing money has been widely supported. The Local Government Association says that it supports the broad aims of the Bill. Shelter says that it supports the creation of the Homes and Communities Agency. A wide range of organisations involved in regeneration and housing across the country have supported the Bill. It is important that it links regeneration principles and the building of communities, as well as the building of more homes. It is also about helping us to deliver more affordable homes, get more bang for our bucks and support more homes overall.

Why on earth do Opposition Members want to vote against proposals that deliver a better deal for housing association tenants? Why on earth do they want to vote against plans that will help tenants who are not getting their repairs done? Why do they want to vote against a Bill that gives Army veterans fair access to social housing or to homelessness assistance? Why do they want to vote against a Bill that gives councils a greater ability to deal with antisocial behaviour? Why do they oppose a Bill that will help this country to build the affordable homes that it badly needs? Why on earth do they want to oppose the Bill? For the sake of first-time buyers in the future, for the sake of families waiting on council waiting lists, for the sake of all those in need of more, better and more sustainable housing, the Labour Government are introducing the Bill today, and I urge the whole House to support it.

4.8 pm

Grant Shapps (Welwyn Hatfield) (Con): I beg to move,

To leave out from "That" to the end of the Question, and to add instead thereof: this House declines to give a Second Reading to the Housing and Regeneration Bill because it creates a top-down, centrally-driven approach to development and regeneration, allows the unaccountable Homes and Communities Agency, in conjunction with the unelected regional development agencies, to ride roughshod over local communities, takes further powers away from democratically-elected local authorities and places them in the hands of politically-appointed Homes and Communities Agency officials, does not extend to social tenants proper rights to buy or part-buy their homes, fails to address the growing problems with the Housing Market Renewal and Thames Gateway regeneration schemes and provides insufficient measures to promote genuine brownfield regeneration, choice for social tenants, wider home ownership and the raising of environmental standards in house building.

At 169 pages and 280 clauses with 10 schedules, the Bill is particularly large. The fact that the explanatory notes stretch to 121 pages suggests that it is probably also overly complex. What does the Bill say? One of the first things it tells us is that the Housing Minister intends to merge the Housing Corporation with English Partnerships to form the new Homes and Communities Agency.

After the Government spent £167 billion on quangos in the past year alone, perhaps the Minister has finally realised that getting rid of a quango would be a good thing to do. But does she not realise that more bureaucracy will not equal more homes? Sadly, if one wades through the Bill to page 36, one discovers that the Government could not help themselves. Clause 80 creates a brand-new quango, the Office for Tenants and Social Landlords, which, I am reliably informed, will be called Oftenant. The Bill is a classic piece of new Labour draftsmanship—it deletes two quangos but then sets up two more.

The aims of the Homes and Communities Agency are laudable enough, but the Government have misjudged our housing challenge by creating a bulging piece of legislation that simply replicates the failed measures of the past. They are introducing a top-down, Whitehall-driven, centrally controlled, big-Government-know-best approach, while local people and their communities are having their powers stripped away.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Has the hon. Gentleman read the Cave report, which recommends the creation of an independent, domain-wide regulator? Does he agree with that recommendation, and if not, why not?

Grant Shapps: As I was explaining to the House, the problem is not the Housing and Regeneration Bill. The problem is that the Bill sets up two quangos, so we will return to having two quangos administering housing issues. To understand the Bill's shortcomings, one must appreciate the Government's dismal record on housing. The Government lecture about social justice, but when it comes to housing, they have decreased social mobility. When Labour came to power, the average home cost three and a half times average earnings; now in parts of this country, it is 10 times earnings, and in other parts of the country, it is 20 times local earnings.

Emily Thornberry (Islington, South and Finsbury) (Lab): Will the hon. Gentleman tell us how many new homes the Conservative party thinks that we need to build each year?

Grant Shapps: I will come on to that in just a moment, if the hon. Lady is patient. I want to tell her about the Prime Minister's huge hikes in stamp duty, which have prevented people from buying homes. The lack of affordability means that fewer people can get on to the housing ladder, because the first rung has been cut away.

As house prices have hit unaffordable levels, a truly massive transfer of wealth has taken place in this country from young people to older people, and home ownership is falling for the first time since records began. Most embarrassingly for the Minister, less social housing has been built every single year under this Labour Government than in any year under the Thatcher and Major Governments. Perhaps that is why clauses 67 to 69 sneakily redefine social housing to include affordable housing. At the stroke of a pen, the Government will be able to claim the provision of hundreds of thousands more social housing units without building a thing. What a load of spin! When will the Minister understand that people want homes not headlines?

When the Government have intervened to try to achieve more, they have failed. For example, they introduced the social homebuy scheme in 2006, but they have recently been forced to admit that they have managed to sell just 88 homes. Most tellingly, they have consistently failed to meet their own home-buying targets. When the hon. Member for Islington, South and Finsbury (Emily Thornberry) and others discuss targets, it is worth considering that the Government cannot meet their own targets. Under the Thatcher and Major Governments, we averaged 173,000 units a year; this Government have managed 145,000.

Richard Burden (Birmingham, Northfield) (Lab): Just so we know whether we need to remind him, will the hon. Gentleman let us know when he will answer the question put by my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry)?

Grant Shapps: When will this Government actually meet a target that they have set? They have tried targets in health care; they have tried targets in education; and they have tried targets in policing. For some reason, those targets have not worked, but they believe that they can set targets on housing and achieve them, although all the evidence—they are supposed to build 200,000 homes a year—demonstrates that they cannot do so. They are not even meeting those targets. People cannot live in targets. They need homes and that is what we would provide. The Government have a dismal record of failure on housing, and the Bill simply repeats exactly the same mistakes. Instead of constructing an overarching new agency with immense powers and a massive budget, ready to steamroller over local democracy, a more enlightened approach is required.

What should the Bill look like? It should be used to foster co-operation between local communities and central Government. The Minister needs to understand that not much is achieved by branding anybody with any kind of legitimate concern a nimby. We need to incentivise local communities and to ensure that new housing will benefit them and their families. An existing population should reap the rewards of housing projections based on a larger population. If that were done intelligently, by linking house building to population growth, it might safeguard local hospitals such as the one in my constituency. Infrastructure must be guaranteed and, where possible, lead development.

Sadly, the Bill will achieve none of that. Power will flow from the centre and democratic control will flow away from our communities. The Minister has ensured that the staff of the new agency will be able to enter someone's home to make a valuation for compulsory purchase with just 28 days' notice, yet obtaining a home information pack to sell a house can take longer than that. Southern Water recently admitted problems in supplying a search for a HIP within 60 days. Under the Bill, the Minister will have powers to buy someone's home faster than that person can sell it. Incidentally, I commend her on her embarrassing U-turn last week, when she extended the period for HIPs first-day marketing so that the exemption will last for another six months. Perhaps if she had listened to us earlier she would not be red-faced now. No apology whatsoever has been offered for the turmoil and chaos that all this has caused in the marketplace.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Does the hon. Gentleman accept that this debate is not about HIPs, his local hospital or Thames Water, but is a serious debate about housing supply? Will he therefore tell us what is his party's policy on house building?

Grant Shapps: I have to inform the hon. Gentleman that it is a debate about the Housing and Regeneration Bill, so we are discussing its clauses. Let me tell him about them because a power-grab is going on. In clause 14, we discover that the HCA may seize powers to become the local planning authority at the Secretary of State's whim. Later in the same clause, it may also assume responsibility to charge for hazardous waste. In clause 15, it may take powers to adopt streets. Clause 17 allows it to make traffic regulation orders. There is almost no limit to the remit of that power-grabbing new agency. Buried in schedule 3 there is even a provision for the HCA to seize graveyards and build on them. In clause 19, the HCA is granted powers to enter someone's home. With just 28 days' notice, it can survey it, value it, dig for minerals or even compulsorily purchase it. All those powers rest only on consultation with the Secretary of State, and everyone knows how discredited consultation has become in the past 10 years.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I have taken the opportunity to read the amendment, which makes no mention of homelessness—a major priority—or first-time buyers, who are in great difficulty throughout the country. Are we meant to take seriously an Opposition who are unaware of the major concerns related to housing?

Grant Shapps: Given the hon. Gentleman's interest in homelessness, he will know that the week before last

I issued my own report on rough-sleeping, which revealed that three times more people are sleeping rough on the streets each night than the 498 whom the Government want us to believe are doing so. We do not want to take lectures about rough-sleeping and homelessness from a Government who have hidden the figures, even though they are being collected by the Department for Communities and Local Government.

Sir Paul Beresford: What the hon. Member for Edmonton (Mr. Love) failed to note is the key point about local authorities. They are the key to regeneration and the Government have ridden roughshod over them with yet another quango. They are being deprived of money, and they are having their powers taken away. It is another nail in their coffin.

Grant Shapps: My hon. Friend is absolutely right. We all know that local communities can deliver affordable homes, but the Minister sees local people as the problem, rather than the solution, so she calls anyone with any legitimate concern on unsuitable development a shocking nimby, unless they happen to sit on the Front Bench as one of her Cabinet colleagues.

Lyn Brown (West Ham) (Lab): I accept that the hon. Gentleman has some difficulty with being called a nimby. In order for us not to call him that any longer, can he tell us how many homes his party intends to build?

Grant Shapps: I am fascinated by the hon. Lady's intervention. References have been made to my "No Way To 10k" campaign. I thought I would take the precaution of citing an excerpt from the website:

"While we do need homes for local people...we cannot build more than there is adequate space and infrastructure to support. 10,000 homes is too much."

It also refers to supporting 6,000 homes. Not my own words, but those of the Labour parliamentary candidate in my constituency.

It is sad to hear the way in which the Government, and the Minister in particular, criticise councils that are doing the right thing—councils such as Wandsworth, Swindon, King's Lynn and West Norfolk, Peterborough, Barnet and Hammersmith and Fulham, to name but a few, many of which are exceeding even the Government's own targets.

Mr. Nick Hurd (Ruislip-Northwood) (Con): What is sad is that my constituents support the need for more affordable housing, but feel increasingly alienated by the perception that their voices are not being heard in the planning process. Does my hon. Friend share my concern that the Minister was entirely silent during her contribution about how the new agency will work with democratically accountable local government, and entirely silent about how it will work with the lord mayor's office?

Grant Shapps: My hon. Friend is on to something here, because the key point is that we all want more homes. The argument is about how we get there—how we construct those new homes. The problem is that relying on top-down development in areas that lack services and infrastructure, and which are having their hospitals axed in many cases, will fail time and time again. On Sunday, Jasper Gerrard in *The Observer* said of this Bill:

"This isn't planning, it's centrally controlled chaos."

The independence of the new Oftenant regulator is already under threat with the Bill affording powers to the Secretary of State to push through initiatives on any number of policy areas to such an extent that the National Housing Federation has said:

"These proposed powers for the regulator could threaten the non-public status of Housing Associations by effectively making them subject to management direction by the State."

The regulator will be funded by fees, but housing associations have, up until now, been not-for-profit social businesses. According to the National Housing Federation, the changes could mean

"rents paid by tenants will have to increase and money would be given back to Whitehall, rather than remaining in the communities."

The short-sightedness of this legislation is frankly astonishing. When it comes to more housing, the Government simply do not understand that local communities are part of the solution, not the problem.

We welcome the greater flexibility given to local authorities to keep the revenue from social housing to build more, but a previous pledge to reduce red tape for highly performing housing associations is missing from the Bill. What else is missing from it? There is no transparency. The Prime Minister promised a more open Government, but they are still covering up the results of HIPs trials that cost the taxpayer £4 million. We have been promised the MORI results time and again; they have never come out. The Government are still rolling on with HIPs—they have no intention of stopping and they are covering up those results.

Anne Main (St. Albans) (Con): As my hon. Friend is aware, the Minister came before the Select Committee at the end of October and assured us that the Department would evaluate that MORI poll before rolling out any further HIPs, but, lo, a few weeks later, they are doing just that. How can we take what is said to us at face value? The Minister said one thing in Committee, but something completely different happened a few weeks later—the coverage of HIPs has been extended without the evaluation we were promised.

Grant Shapps: My hon. Friend is right: the issue of the day is the Government's competence—or lack of it. They say that they will publish the results of a trial that cost £4 million of our money, fail to do that, yet still introduce HIPs for properties with one and two bedrooms. That proves that they cannot be trusted. That is why we said that we want the Secretary of State to be asked to come to the House to report on the new agency every year. It will have the power to spend not only £4 million but £3 billion of taxpayers' money. We call for an amendment that would require the Secretary of State to report to the House each year. I hope that the Minister will consider that.

Say what one likes about the Government, as they lurch from one crisis to the next, at least they have been consistent in one matter: their absolute refusal to learn from mistakes. Given that they look ever more tattered and torn, perhaps it is hardly surprising that they have chosen this time to discuss regeneration policy.

[Grant Shapps]

However, recent reports from the Public Accounts Committee and the National Audit Office make damning reading for the Minister. Perhaps she has averted her eyes; if so, I shall tell her about them.

The controversial pathfinder initiative was designed to intervene in the housing market in the north and the midlands. Despite costing £1.2 billion, the NAO stated earlier this month that

"it is not possible to identify the extent to which changes in local housing market activity are the direct result of Pathfinder activity".

Perhaps the Minister can tell us why a further £1 billion has been allocated to the project. I would welcome an intervention.

A report from the PAC on the Thames Gateway is even more damning for the Department for Communities and Local Government. It concludes that the Department does not know how much the regeneration of the Thames Gateway will cost the taxpayer—after £673 million has already been spent.

Dr. Starkey: I assume that the hon. Gentleman has read the whole report. If so, he will have noticed that the Public Accounts Committee asked for the new Homes and Communities Agency to take over responsibility for Thames Gateway because the project is currently not delivering. Does he support that conclusion of the PAC as well as the one that he chose to cite?

Grant Shapps: I assume that the Homes and Communities Agency will take over running the project. It has been run by so many different people that it is hard to know what is supposed to happen. Perhaps the Minister will tell us. Again, I would welcome an intervention.

Yvette Cooper: We are happy to continue the investment in the Thames Gateway—indeed, to increase it and support the project's progress—and also to increase investment in the housing market renewal programme, which, as the NAO made clear, is making a significant impact in that those areas where the interventions took place are doing better than similar areas with low demand problems. However, I stress to the hon. Gentleman that he should tell us whether he backs 240,000 more homes a year, as so many organisations throughout the country have done.

Grant Shapps: I apologise to the hon. Member for Milton Keynes, South-West (Dr. Starkey). I believed that we would get a clear answer to the question. The Bill constitutes a missed opportunity if it does not do what I imagined—give control to the Homes and Communities Agency for the development. I still have not heard whether that will happen—perhaps we will get clarification at some stage.

The Bill is a missed opportunity to reduce expensive regional quangos and return powers to democratically elected bodies. As some critics fear, it may be a house building delivery agent, but without tackling the problem of the provision of local infrastructure and jobs.

Since hon. Members of all parties agree about the importance of building homes, the Bill could have achieved something truly historic. However, whereas a progressive approach could deliver millions more homes by working with local communities, the Bill falls back on the tired old Government versus the people syndrome. By incentivising and trusting the people, we could create sustainable communities, higher environmental standards and more affordable housing.

Instead, the Government have again completely missed the point. They have failed to reach their existing house building targets, but they have not bothered to ask why. They have simply published a Bill that proposes a bigger stick, a bigger state and bigger targets, but we simply cannot live in targets.

We all recall that the Prime Minister would not trust the people when he bottled the election. At a time when the competency of the Government is under attack as never before, the Bill is a missed opportunity to trust local people to help solve the housing crisis. We trust local people, and that is why we cannot support the Second Reading tonight.

4.30 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): I should like to remind the House of the report by the Select Committee on Communities and Local Government, "Affordability and the Supply of Housing", which was published before the summer recess and supported by all parties on the Committee. The Committee welcomed the Government's then objective to raise the number of net additional homes by 200,000, but said that that was probably not enough, which has since proved to be the case. Indeed, I am not convinced that even the new target is sufficient to meet housing need.

I want to re-focus this debate on what my constituents would want it to be about. I am disappointed by the speech that the hon. Member for Welwyn Hatfield (Grant Shapps) made, because that sort of cheap debating style is exactly what puts ordinary people off this place. In particular, it puts women off big time. This debate is about two issues that are of enormous concern to my constituents and, I would have thought, to those of almost all hon. Members.

The first issue is the fact that young people are increasingly priced out of the housing market, as prices rise beyond their reach. I commend to hon. Members a series of booklets by the National Housing Federation called "Home Truths", which show the level to which housing inaffordability has risen in every part of the country. For example, even in Milton Keynes, a growth area with lots of houses, people need a household income of more than £50,000—two and a half times the average income in Milton Keynes—to pay the average mortgage. In the rest of Buckinghamshire, where incomes and house prices are higher, people need a household income of £85,469 to pay the average mortgage, which is 3.8 times the average income.

Our constituents know that such statistics mean that young people who in former times might have reasonably expected to buy a house now have no hope at all of doing so unless their parents can give them substantial sums to help them into the housing market. That is a huge concern to me, and I would have thought that it would be to every other Member, but we did not get a flavour of that from the hon. Gentleman's speech.

Anne Main: Will the hon. Lady give way?

Dr. Starkey: No, I want to continue. The second issue is that at the other end of the market—

Alistair Burt (North-East Bedfordshire) (Con): Why will the hon. Lady not take interventions?

Dr. Starkey: I would simply point out to the hon. Gentleman that, as he knows, only two interventions can be taken, otherwise time is eroded, unlike with Front-Bench spokespersons, and I am barely into my speech.

The second group that should concern almost every Member comprises those constituents whose incomes are too low for them ever to conceive of buying a house or even entering shared ownership, who are wholly dependent on the social rented market and who have no hope whatever of being allocated a social rented house. In my constituency—I assume that the situation is the same in a great many others—the only people who can get into social rented housing who are not there already are individuals who are statutorily homeless and in extreme housing need, although even they will not necessarily get into social rented housing.

The local council in my area—I am not blaming the council, Liberal Democrat-controlled though it is—is now obliged to advise people who come to it as statutorily homeless that there are no social rented houses available. Those people are given advice on how they can be placed in the private rented sector or in temporary accommodation elsewhere, and be funded through housing benefit. That is a disgraceful situation, and the prime solution is to build more houses, including more affordable shared ownership and social rented houses. I was disappointed that the Conservatives gave no indication of the level of house building that they would propose.

I was interested to see in *The Guardian* that Mr. George Monbiot—who, 30 years ago, used to live extremely close to me in the area that I represented as a councillor—has suddenly discovered that there are people who live in appalling social and private rented accommodation. He could have found that out 30 years ago in his own street if he had only asked me.

I am pleased that the Government are now increasing the funding for housing in general, and for social housing in particular, and that they are putting in place mechanisms to provide additional funding from developers for infrastructure. The Milton Keynes tariff has been an extremely useful model for that. I am also pleased that they are setting higher targets, although I think that it will be incredibly difficult for them to deliver on them.

I remain extremely upset that the Conservatives are apparently opposing the Bill, despite the fact that it is broadly supported by Shelter, the Local Government Association—which is Tory controlled—the National Housing Federation, the National Federation of ALMOs, Help the Aged and even the Tories' favourite organisation, the Royal Institution of Chartered Surveyors. All those bodies broadly welcome the Bill. That reinforces my view that Tory support for more housing is based on the model of St. Augustine. They say, "Yes, but not now" or perhaps "Yes, but not in my constituency."

The Homes and Communities Agency will bring together the regeneration expertise of English Partnerships with the housing expertise of the Housing Corporation. I commend the Housing Corporation in particular for its recent good track record on increasing the proportion of family homes in social housing developments in London and the south-east. The Select Committee has stressed that that issue is not simply about numbers; it is also about the range of housing available. There is a desire for considerably more family housing in most, though not all, areas, and I am pleased that the Housing Corporation has taken that on board and been delivering such housing in London and the south-east.

Amalgamating the expertise and the powers of the two bodies should result in a saving of resources and a sharing of expertise between an organisation that has concentrated on regeneration and one that has concentrated on housing. I have already remarked on the fact that it is odd that the Conservatives are opposed to the establishment of the agency, when the Public Accounts Committee report on the Thames Gateway said that the agency, rather than all the fragmented local bodies, should take responsibility in that area.

Sir Paul Beresford: Will the hon. Lady pause for a moment and consider how her local voters will feel when they vote for their local councillors on their local planning authority, which is then bulldozed by the new quango?

Dr. Starkey: The Milton Keynes partnership—a joint committee comprising the local authority and English Partnerships—is delivering on house building in our area, where such delivery was not occurring before. Most people in my area want more housing. Of course there are arguments about individual estates and individual development frameworks, but the council remains the overall planning authority. The partnership is delivering housing in our area within the development framework set by the council. The council often attempts to hide behind the partnership, or the Government, so that it will not be held responsible for the decisions that it has taken—on the grid roads in Milton Keynes, for example—but the reality is that it is the council, as the planning authority, that takes those decisions. The decisions are implemented in parts of Milton Keynes by the council, and in other parts by the Milton Keynes partnership and English Partnerships.

The hon. Gentleman asked me a specific question about my constituency, and I enter a plea for the headquarters of the new agency to be in Milton Keynes. It is the obvious place for it to be, and such a move would save having to build new offices. I am grateful to him for allowing me to make that point on behalf of my constituency.

There is an issue about the relationship of the new agency to local authorities. I suggest that the Minister look closely at whether there should be a duty on the new agency to co-operate with them, as it may not be enough for the HCA simply to be a named partner in local area agreements.

I welcome the establishment of a regulator—Oftenant—and I am pleased that it is separate from the HCA's provider role. The regulator will give tenants much greater rights and allow them to challenge poorly

[Dr. Starkey]

performing housing associations, but I urge the Minister to consider extending Oftenant to council tenants and arm's length management organisations as soon as possible, which the Local Government Association and the National Federation of ALMOs support. I also urge her to take up Shelter's suggestion that there should be enabling powers for a national tenants' voice.

On sustainability certificates, the code for sustainable homes is absolutely essential in signposting for builders and developers the direction in which building regulations standards will be improved and made more stringent. It should give the builders and developers the certainty that they need to deliver the higher standards that we are all asking for and to achieve the zero carbon target by 2016. I ask the Minister seriously to consider making the code for sustainable homes mandatory on new homes, and also urge the Government to find ways of extending the code to existing homes. Existing homes comprise about 99 per cent. of the housing stock and they are much less energy efficient than new houses, so we need seriously to improve the energy efficiency of existing stock. The Minister might consider, for example, setting dates—reasonably far in the distance—by which every home must be made compliant with at least the bottom two levels in the code for sustainable homes.

I am hugely doubtful about what exactly the Conservatives are suggesting in respect of sustainability. Although they mention it in their amendment, as a kind of ritual obeisance, we have absolutely no indication of what those words mean.

John Bercow: I have regularly and publicly supported Aylesbury Vale district council when it has given the go-ahead to sometimes unpopular, but undoubtedly necessary, developments in my constituency. Does the hon. Lady, who I know is a keen supporter of East West Rail, concede that early progress on that project is a highly relevant consideration when we are trying to decide what sort of scale of expansion in the south-west sector of Milton Keynes—it will impact on my constituency as well—would prove to be sustainable?

Dr. Starkey: I am happy to support the hon. Gentleman, who—unlike some of his Conservative colleagues—does not try to get the infrastructure without the housing. I know that Aylesbury Vale's commitment to housing is exactly what is required for the Milton Keynes partnership to have the confidence to help through the infrastructure tariff in ensuring that the East West Rail link can reopen in advance of developer funding coming through—if that is not too convoluted. I am happy to support the hon. Gentleman on that, but I am less happy to support Aylesbury Vale council's agreeing that although more houses are needed, they are all needed in the Milton Keynes area and not in the Aylesbury Vale area. That highlights one of the key problems of what I take to be the Opposition's policy of leaving local authorities to decide. It is far too easy for a local authority to decide that it is in favour of more houses—not in its own area, but in the one next door.

Reform of the housing revenue account is absolutely essential if councils are to be able to build additional housing. I welcome the proposed pilots and urge the Government to extend them as soon as possible so that all councils as well as housing associations can build.

I note another Tory obsession, which is also in their reasoned amendment: the right to buy. It brings enormous benefits to the individuals who are able to exercise that right, but it does not create a single extra home. It is a one-off benefit to those individuals and it bleeds out of the social rented sector the most desirable—or the least undesirable—homes. That is one of the reasons why council housing stock in many areas now includes very few family homes. It consists almost entirely of flats, which is why so many families are in danger of overcrowding. I urge the Minister to accept Shelter's call for a new definition of overcrowding.

Martin Horwood (Cheltenham) (LD): The hon. Lady referred approvingly to our Select Committee report. Does she agree with the following statement, which appears in it?

"If new house-building is concentrated in areas of high housing demand on the edges of towns and cities, there is a danger that commuting times will be increased and quality of life will suffer. It is vital that urban sprawl is avoided".

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Perhaps that was an ill-judged concession on the hon. Lady's part.

4.45 pm

Paul Holmes (Chesterfield) (LD): The general intent of both the July Green Paper and the Bill, which seeks to make part of the Green Paper reality, is welcome. Both recognise that there is a huge housing crisis. It is, however, something of a shame that that recognition comes 10 years late. It would have been much better if the Government had published the Green Paper back in 1997, rather than waiting 10 years for the crisis to become worse and worse.

There is the crisis of the 71 per cent. of the population who are home owners, and the people who would like to join that total. This country has the third highest percentage of home owners in western Europe, and in the two countries with higher percentages house prices are much, much lower. In this country they are nine or 10 times the average salary, while in areas such as London they are up to 19 times the average salary. That has caused huge problems, not the least being that in 70 per cent. of our urban areas—not just London, but urban areas across the country—key workers such as policemen, nurses and teachers cannot afford to get on to the housing ladder. If key workers in steady, responsible jobs earning reasonable wages cannot afford it, obviously a huge chunk of the population have not a hope in hell.

An even greater crisis involves social housing for rent, which in the old-fashioned way used to be called council housing. For 50 years after world war two, councils built an average of 120,000 properties per annum while the private sector built an average of 150,000 per annum. In the last 10 to 12 years—certainly in the last 10—councils have built only 4,000 council houses, and last year they built just 400. Housing associations, the Government's preferred alternative for the provision of social housing, have managed an average of only 22,000 properties a year

over those 10 years. Those figures are hopelessly inadequate, and it is not possible even to stand still given the number of properties being lost as a result of the right to buy. Over the last 20 years a third of council housing has ceased to be available, and there has been very little to replace it.

Nationally, waiting lists for council housing have risen by 63 per cent. The number of applications has increased from 1 million to 1.63 million—1.63 million families, or 4 million people. In many parts of the country, the position is much worse. In my Chesterfield constituency and in Sheffield, where I grew up in a council flat, waiting lists have trebled in the 10 years since Labour came to office, and in Bolton the figure has quadrupled.

Emily Thornberry: Will the hon. Gentleman join me in condemning my local Liberal Democrat council? There are 13,000 people on the waiting list for housing, and in the last seven years only one seventh of new build has been social rented housing.

Paul Holmes: Many councils around the country have enormous problems with affordable housing, not least when council properties are sold to private speculators who take them out of circulation and let them to students.

The dramatic increase in council house waiting lists has caused two problems. The first is the human misery that I see in my surgery every Friday afternoon, including last Friday. People who are desperate for suitable housing have little hope of being able to move into an old folks' bungalow, which would free up a family council house, or to move into a family house when they are sleeping on sofas, in their in-laws' living rooms or in friends' houses.

Sarah Teather (Brent, East) (LD): Does my hon. Friend agree that there is a desperate and urgent need to update the overcrowding criteria? Young children who are trying to do their homework cannot possibly be expected to use a living room as an extra bedroom. I know of families with an autistic child who are still expected to rotate bedrooms. Surely there is a need to ensure that such families are statutorily treated as living in overcrowded conditions.

Paul Holmes: I agree that there is a huge problem. One of the reasons is that the regulations that decide what constitutes overcrowding date back to 1935 and the depression. They date not only from 70 years ago, but from an entirely different world, where people's living conditions were far inferior and overcrowding was accepted as normal. I hope that we will be able to table amendments in Committee to see whether we can get the Government to move in the direction of redefining overcrowding in modern terms. One of the reasons they will be reluctant to do so is that 1.63 million are on the waiting list, and if we redefined overcrowding to meet modern standards, far more people would be deemed to be in unsuitable housing and, therefore, in priority need of rehousing.

We must consider not only the human misery of waiting lists and out-of-date definitions, but the open goal that is provided to racists. My constituency has few immigrants and almost no asylum seekers, and they almost all live in privately owned or privately rented properties. Even in such a constituency, people who complain about the lack of council housing regularly say, "It is not because they are taking our houses." The situation is an open goal for racists and the British National Party. It has been stoked up by 10 years of policy from this Government. They have denied the provision of council housing and have presided over a collapse in the provision of any alternative form of social rented housing. I welcome the Green Paper, including the parts of it that have found their way into this Bill, but it is 10 years too late.

Richard Younger-Ross (Teignbridge) (LD): Will my hon. Friend comment on the problem that a number of people on benefits face? When they try to rent a property they find adverts in the papers saying, "No benefits." Such people face great difficulty in finding somewhere that is not statutory social housing. Not only is that restriction used by individual landlords, but a survey that I undertook of mortgage companies found that one third of them have a clause in their buy-to-rent schemes that says that people cannot rent to those who are on benefits.

Paul Holmes: This is a major issue for people who are on benefits. Traditionally, of course, councils provided the housing for that part of the population, but they have been denied that for the past 10 years and little has been provided to replace it. It is often said that the press have power without responsibility. These days, councils have increasing responsibility without power.

The Bill contains one clause that rightly says that members of the armed forces should be able to establish a local link. Often when people come out of the armed forces they are simply rejected by every council to which they apply—even the one for their former home area—because by being in the armed forces and moving around they have lost the link. Again, a responsibility is being given to local authorities without the power to do anything about the situation. We need to reverse that ridiculous state of affairs.

The Green Paper and the Bill contain too little on sustainability, on affordability and on social housing to rent. On sustainability, we have heard the talk of 10 eco-towns. Some 40 local authorities said that they wanted to build an eco-town, but only 10 are to be allowed to do so. That is a symptom of the central control and diktat under which we operate. Even 40 such towns would only have scratched the surface. Government legislation wants all new houses to be built to eco-standards from 2016, but we feel that that could be done from 2011—Germany already does it. Whether it is done by 2016 or 2011, the provision ignores the question of the existing housing stock. By 2050, two thirds of our housing stock will be properties that are already built, most of which will be from the 20th and 19th centuries, and even earlier. The Government's Warm Front scheme would take 120 years to get round that existing housing stock and would provide relatively low levels of insulation and upgrading. Much more is needed if we are to tackle sustainability issues.

On affordability, again too much is disappointing in what the Government propose. When "affordable houses" first go on sale they are not affordable at all—flats in London that cost £200,000 or £300,000 are not remotely

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affordable for most people. When such properties are sold on, they are certainly not affordable. We believe that 25 per cent. of the 3 million houses that the Government want to build over the next 13 years—we would like them to be built over the next 10 years—should be affordable. Affordability should be locked in from day one, and at every resale. We should consider schemes such as shared equity, which the Liberal Democrats in South Shropshire implemented, and community land trusts, which could certainly use the brownfield sites that Government have identified to release for housing. *[Interruption.]* They are not gimmicks: they have worked in pilot schemes in the UK, in many European countries—especially in Scandinavia—and in the United States. Indeed, the Army, which intends to relocate 6,000 families from the British Army of the Rhine to the west midlands, is lobbying the Ministry of Defence for an Army land trust for that purpose for Army personnel. It is not a gimmick, but a mainstream policy that could ensure that houses are affordable when first sold and every time they are resold, because the price of the land is not available as it is locked into the community for ever.

The Government's proposals contain far too little on social housing to rent. Some 25 per cent. of the 3 million new houses should be social housing to rent. Crisis and Shelter would probably put the percentage even higher, at 30 or 35 per cent. The big difference that I have with the Government on the issue is the need for a level playing field for the 140 to 200 authorities—depending on whether one counts the ALMOs—in which tenants voted democratically against a stock transfer. Even when the tenants had a loaded financial shotgun to their heads—they were told, "Transfer and get your houses modernised or stay with the council and be starved of funds"—they voted to stay with the council, in some cases, such as Camden, by four to one. For the Government to tell those tenants that they have to rot in those houses, and that their council cannot build any new houses, is a moral outrage and a democratic disgrace.

Sarah Teather: I agree with my hon. Friend. Does he agree that the building of affordable housing for rent should include larger houses? I have many families in my constituency—especially Asian families, who tend to live in extended family groups, and Somali families—who struggle on the waiting list because the houses that are being built are two and three-bedroom properties, not four or five-bedroom.

Paul Holmes: I agree, and that is related to the points that I intend to make about the general thrust of Government housing policy and central diktat. Councils should be allowed much more flexibility to decide what is needed in their area. The Bill continues a process that began nearly 30 years ago with the last Conservative Government, who seized power from local authorities and imposed redevelopment corporations, garden cities and the rest on councils. New Labour has continued that with a vengeance, and the Bill takes it further. It would be better to reverse the process and let councils decide.

One example is the size of houses. Different areas have different issues. In some areas, councils need old folks' bungalows far more than they need flats for young single people. Another area may have more young couples who need to be housed or large families who need houses with more than three or four bedrooms. Demand varies from urban to rural areas, from north to south and even from one bit of London to the next. We should allow councils to decide, not impose the decision from the centre of London.

Dr. Starkey: I understood that the Liberal Democrats had a national target for affordable housing provision. How does that square with the hon. Gentleman's comments that the decision should be entirely up to local councils? One cannot both have a national target and allow councils to decide what to do.

Paul Holmes: It is clear enough to me that one can make an estimate of housing needs and of what the construction industry could actually build in a certain period. In June, my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) made a speech on housing to the Rowntree Trust, which Shelter has publicly and frequently credited with pushing the Government into some of the proposals made in the Green Paper a month later. He said that we needed not the 2 million houses that would be built in the next 10 years in the normal course of things, but 3 million, and that estimate was based on all the reports of housing need for various family formations and an ageing population that will include more single elderly people. The delivery of that target is a different matter, and I do not see the contradiction in saying how many houses the nation needs, according to all the professional estimates, and leaving delivery to the local authorities who know their patches far better than someone sitting in Eland house, Victoria street. We should leave the matter for local authorities to decide, as I shall show.

On Saturday morning, I spent three hours in the Derbyshire High Peak area—where I was a teacher for 17 years—with staff of the Johnnie Johnson housing association. We visited all sorts of urban communities scattered around the district, looking for places where development could be carried out. We considered plots suitable for two bungalows, or 50, or more, depending on size.

One plot, classified as a green belt site, was a scrubby piece of land like a long triangle, sandwiched between a railway embankment and some houses. The local authority responsible for that land should be able to allow houses to be built there, as there was nothing "green belt" about it. If local authorities were free to make such decisions, they would be much more likely to identify where housing could be provided.

In addition, a lot of greenfield and brownfield land is available for housing. The Government in London say that local authorities are not willing to release land, but Chesterfield and Yeovil offer good examples of the sort of problems that councils face. Chesterfield is urban, with lots of brownfield sites available on former mining facilities and engineering works that were closed down by the Conservatives, while Yeovil is totally different, with lots of greenfield land that could be used for housing. Both areas face the same problem, however, in that the regional spatial strategy does not allow them to release those parcels of land for the purposes of house building.

Andrew Gwynne (Denton and Reddish) (Lab): I listened to the answer that hon. Gentleman gave to the intervention from my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), but what does he say to his colleagues in the Stockport local authority who are preventing new houses from being built in Reddish and in other parts of a borough that is crying out for extra housing? In effect, the authority's housing policy and unitary development plan HP1.2 effectively restricts all new infill developments to a handful of brownfield sites in the town centre.

Paul Holmes: The local authority in Stockport is trying to operate under controls put in place by the Government, and for that reason we should not rush to judgment. Like Chesterfield and Yeovil, Stockport has already hit the limits of its regional spatial strategy rationing. The central controls should be removed, and local authorities should be allowed to decide these matters.

Yvette Cooper: May I point out to the hon. Gentleman that planning policy statement 3 came into force in April? It changed the arrangements, and allowed local authorities to go further. They should not accept the ceilings proposed in outdated regional spatial strategies: instead, they should use the new planning rules to identify and bring forward land on which houses can be built.

Paul Holmes: It is very good that the Government are inching forward on such matters, but they are taking other powers back at the same time. The UK is the most centrally controlled state in Europe, and we need that to change completely. Local authorities should be given back the power to raise funds and to borrow prudently, but the Bill does not do that.

Some clauses in the Bill offer a slight redefinition of the right to buy, but why are local authorities not allowed to decide? Some authorities with housing surpluses and people whom they want to move around are happy with the present arrangements, but others—especially, but not only, those in rural areas—believe that the right to buy is anathema because it has destroyed their ability to provide family houses. We should allow local authorities to take decisions about housing on behalf of the local communities that democratically elect them.

The detail of the Bill shows that that will not happen. Sops were given in the Green Paper and over the summer to Labour activists who were getting edgy as the conference season approached. For three Labour conferences in a row, those activists had voted for the fourth option on council housing—that is, for power to be restored to the 200 local authorities whose tenants had said that they would not do what the Government wanted them to do. In response, conference rules were changed so that there could not be any more votes on the matter. Moreover—and in advance of the election that never was—a lot of the activists were bought off with promises that councils would be allowed to start building again, using money out of the housing revenue account.

We can explore the details in the Public Bill Committee, but the Government's notes that accompany the Bill estimate that about 2,500 houses will be built as a result of letting councils make their own decisions about building. That compares with the 400 houses that were built last year. That will not make a big difference to a waiting list of 1.63 million. It is a tightly controlled and limited experiment. Ten, or possibly 14, hand-picked local authorities will be allowed to set up private vehicles to experiment with building—only 10 or 14 from the 140 that directly manage their stock and the 60 ALMOs. That is only a small percentage and the exercise will not restore freedom or power to democratically elected local authorities.

Reference has been made to the housing revenue pilots. Cambridge was one of the authorities that carried out a paper exercise and has done the number-crunching. As I have told the Minister in previous meetings, the current proposal is a complete non-starter. The money that authorities would have to borrow from the private market to buy out their outstanding debt and pay off the Government—a debt the Government would write off if a housing association were taking over—would eat up all the money from right to buy and rents that they were allowed to keep. They would not be a penny better off; they would be no more able to repair houses or build the new ones that local populations are desperately crying out for. That is central control, lock, stock and barrel, with sops to buy people off. As we have not had an election, there will be a couple of years for Labour activists to find out they were duped and they will get very restless.

One part of the Bill covers the regulation of social housing and the introduction of Oftenant, which was recommended in the Cave review. Most people would describe it as a good move forward. The provisions have a hollow ring, however. The Bill talks about putting tenants at the centre of the process and empowering them, yet when half the tenants in the country—more than 2 million—voted not to be transferred to registered social landlords, the Government said, "Tough, you're just going to sink. You'll have no money to do up your houses and we won't build new houses in your area." They told those tenants that they would be ignored and punished because they had the wrong views—their views did not fit with the Government's. Saying that tenants will be at the centre of things is rather hollow; they certainly will not be the council tenants—more than 2 million families.

The measure will plug a gaping hole for RSLs. At present, when council stock is transferred to an RSL, tenants have no influence at all over their new landlord. The introduction of Oftenant will give them some power to have a say. It may be limited—*[Interruption.]* It may be effective; we shall have to see, but it will at least give the tenants of RSLs the opportunity to have a say in the management of their houses. They will not be able to change their manager, or landlord, as they can if it is the council because they can elect someone else, and they will not be able to opt back into being council tenants because they were forced down a one-way street, but the regulator is a step in the right direction.

The Audit Commission has put in a bid to provide the regulatory body, so when the system is extended to councils—as we are told will probably happen in a year or two—they will find that instead of a simpler process they will be subject to two inspection regimes. The

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functions of Oftenant could have been wrapped up with the work of the Audit Commission.

Will there be a level playing field? When Oftenant is inspecting a council, will it say, "You're not doing a very good job at meeting your tenants' needs, not like that nice housing association down the road"? Of course, the nice housing association down the road keeps all the rent to spend on its houses. In Chesterfield, the Government already take £3.2 million away from us and over the next few years, as they increase rents by inflation-plus to try to reach market rents, every extra penny will go not to council housing in Chesterfield, but to the Government. They will be taking £5 million from council tenants in Chesterfield, and the same process applies to 70 per cent. of the councils that run housing; their tenants' rents are taken away to be spent by the Government somewhere else—not on local housing need. That is a moral outrage and a democratic disgrace. Oftenant may judge that councils are not doing as well as housing associations, but that is because councils are not allowed to keep the rents to spend on their houses.

Clause 68 refers to the definition of social housing. I have talked to the Minister about that point and we shall certainly be pursuing it in Committee. The clause notes that social housing is accommodation "made available for rent", that

"the rent is below the market rate."

and, crucially, that

"the accommodation is made available in accordance with rules for eligibility designed to ensure that it is occupied by people who cannot afford to buy or rent at market rate."

That provision has rung alarm bells in a huge number of organisations. Of course, that could fit in with Smith Institute proposals of a couple of years ago, with proposals that were trailed prior to the publication of the Hills review, although they certainly were not in that review, and with proposals from a Conservative think-tank published this summer: that as soon as the circumstances of someone in social housing for rent improve—their wages increase, for example, or they get a job—they should be moved on. It has been proposed that people in such circumstances should be shifted out of social housing, as that should be the housing of last resort for the people who really cannot afford it; it then becomes a stigmatised source of housing, which is what it has very much become in the past 10 or 20 years. We shall certainly probe the Government on that in Committee.

Finally, let me explain why we will not vote for the Conservatives' amendment. They argue that the Bill

"creates a top-down, centrally-driven approach to development and regeneration".

It does not. It adds a little finishing touch to what the Conservative Government of the 1980s started and new Labour has developed over the past 10 years, but it certainly does not introduce the earth-shattering process that is described. The amendment also criticises the Bill for allowing the Homes and Communities Agency

"to ride roughshod over local"

government, but the briefing of the Conservative-controlled Local Government Association does not share that Conservative Front-Bench view. The LGA supports the broad aims of the Bill, on balance thinks that the creation of a single regulator is a positive step, and supports the creation of Oftenant—so there is not an awful lot of evidence that people in local government share this apocalyptic view of what is involved here.

Another reason why we will not support the Conservative amendment is that it twice focuses on shifting the right to buy to tenants of RSLs. Have the Conservatives thought about how that would destabilise RSLs' finances and ability to maintain borrowing from the private sector, just as it did with councils? We should, perhaps, be looking at removing some of the right-to-buy provisions. Should we not let councils remove the right to buy where there is huge local need and it does not fit with local circumstances, instead of imposing it willy-nilly on RSLs, whose whole financial structure is based on secure rents to secure their private-sector borrowing in order to provide the social housing that this Government have so abysmally failed to provide over the past 10 years?

5.12 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): May I at the outset draw attention to the interests stated in my declaration in the Register of Members' Interests, and also say how much I welcome the Bill, which gives effect to many of the commitments set out in the housing Green Paper published last July, and how deplorable I found both the Conservative and Liberal Democrat Front-Bench speeches?

Listening to the trivial speech of the Conservative spokesman, the hon. Member for Welwyn Hatfield (Grant Shapps), I found it hard to believe that it came from a representative of the party that was proud to have played a role in setting up two organisations—the Housing Corporation and English Partnerships—that have played a major role in meeting housing needs in recent years, and which are the nucleus of a new body established in the Bill. It was difficult to believe that he is from the same party that took responsibility for housing policy in previous decades; that shows how much today's Conservatives have abnegated their responsibility for meeting some of the most pressing needs of our society.

Listening to the hon. Member for Chesterfield (Paul Holmes), I was reminded of nothing more than the old days of the Militant Tendency. We heard a glibly offered target—"Yes, we want to have 3 million homes"—and then any means of ensuring delivery was given away when it was said, "We will just leave it to local authorities, and, of course, we've got no plans to deal with the situation if they choose not to build those houses." That creates the impossibilist demand that then allows the cry of "Betrayal"—the classic tactic of the militant. Frankly, that is non-credible and the hon. Gentleman should recognise that that type of politics was discredited and thrown out some decade and a half ago. I am sorry that the Liberal Democrats of today appear to have gone back to it.

The Government's programme was set out in their Green Paper of July. It is an ambitious programme, which involves both a substantial increase in the output of new housing for sale and rent and at the same time a real advance in energy efficiency standards in our housing in order to meet wider sustainability objectives.

Let us be under no illusion: these are very challenging targets and the Government will have a genuinely hard task in meeting them. We should all be aware of just how ambitious they are, and it is essential that we have the agencies in place to enable delivery. One of them—the most important in my view—is the Homes and Communities Agency established under part 1 of the Bill. Importantly, it has a wide remit: not just improving the supply, quantity and quality of housing, but securing the regeneration or development of land or infrastructure, and supporting the creation and maintenance of sustainable communities. Those objectives are ambitious. My overarching concern is that the process of setting up the new agency, and merging the various existing organisations that will make it up, should be pursued energetically and swiftly so that the HCA can make the significant impact that it is expected to and will need to if the Government's targets are to be achieved.

Up until now, the process has been rather lengthy. It is some 18 months since the proposed merger of English Partnerships and the Housing Corporation was first publicly mooted. We all know that a long period of uncertainty, particularly when organisations are being merged, can be debilitating and damaging. The sooner we reach a point at which it is quite clear that there is a new management structure in place to take forward the new agency and build confidence that it is going to be there to deliver its objectives, the better. It is essential that the Government act quickly. I understand that formal, legal requirements have to be satisfied, so the agency cannot technically be in operation for a while yet. However, that should not delay the process of getting a shadow management team in place and ensuring that all the steps are taken to enable the agency to deliver. A suitably qualified chief executive—the post demands an exceptional person—must be in post as soon as possible, with a remit to pull together all the elements of the new agency so that it can make its mark and chart the way forward in the coming months. I know that my right hon. Friend the Minister is well aware of that and I hope that she can make rapid progress in setting up the core of the new agency in the coming months.

Part 2 of the Bill sets out a new framework for the regulation of social housing, based on the recommendations of Martin Cave's fine review. I was disappointed that when I intervened on the Conservative spokesman, he did not appear to have read the Cave review. His failure to reply to my question implied that he was not familiar with the review's contents. I broadly support the proposed framework involving a new domain regulator to cover all providers of social housing and promote the interests of social housing tenants, irrespective of their landlord. However, the devil lies in the detail. I urge my right hon. and hon. Friends to give the closest attention to this matter in the coming weeks, to ensure that we have a regulatory system that delivers the desired outcomes, as set out in the Cave review, and that does not have unwelcome and unforeseen consequences.

First, there is the extension of the regulator's remit to cover local authority and ALMO—arm's length management organisation—housing. That is essential if we are to have the domain regulator proposed by Cave. I understand why the detailed provisions for achieving that are not yet in the Bill. There are some difficult issues relating to governance and accountability that will need to be bottomed out. However, the risk with the two-stage approach implicit in the Bill—registered social landlords first, and local authorities and ALMOs later—is that there will be inconsistencies and tensions that will be less easily ironed out over time than if the whole regulatory framework had been put in place from the outset.

Secondly, there is the relationship of the regulatory regime to registered social landlords. Many people with a deep understanding of the issues have voiced real fears that the framework set out, particularly in clauses 173 and 177, is incompatible with the continued classification of RSLs as not public sector bodies. The nub of the argument is that clause 177 allows the Secretary of State to direct the regulator to set standards and rules that, under clause 173, registered social landlords will be required to comply with. These cover a plethora of issues, including the type of housing needs to be met, allocation criteria, the terms of tenancies, rent levels, housing maintenance, estate management, dealing with complaints and tenants' concerns, dealing with antisocial behaviour, and the landlords' contribution to the economic, social and environmental well-being of the areas in which they have properties.

No one can object to good practice guidance on all those matters. That is what currently applies. The Housing Corporation, which is currently the regulator of RSLs, issues guidance on how RSLs can best approach their responsibilities. If concerns are raised about the performance of individual RSLs, the regulator can quite properly have regard to how the organisation has responded to the guidance and that may well influence the decision on whether the relevant housing association has been guilty of mismanagement or misconduct, justifying intervention by the regulator.

An important distinction is that failure to follow guidance is not of itself misconduct or mismanagement. RSLs are independent bodies whose boards must have the freedom to determine how they can best meet their objectives. That is essential to their classification as non-public sector bodies whose privately raised finance does not count as public expenditure. It is a moot point whether that classification, which is of course vital to the ability of RSLs to raise billions of pounds of private investment to supplement public funding, can be sustained if they are subject to a direct chain of command requiring their compliance with rules and standards that can be imposed by a Minister of the Crown.

There is also a related point about the extension of the regulatory regime to local authorities and ALMOs—bodies with their own democratic accountability structures, separate from Government. Requiring them to comply with detailed rules and standards laid down by Ministers does not sit comfortably with the Government's stated objectives of reducing the burden of centrally imposed regulation and giving local authorities more discretion to respond as they see fit to local circumstances. Nor does it accord with Martin Cave's clear recommendation for a proportionate regulatory regime that does not impose unnecessary burdens and that avoids unnecessary red tape. I hope, therefore, that my right hon. and hon. Friends will take a further look at the parts of the Bill that I mentioned, and will be willing to consider

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amendments that ensure that the regulatory regime is effective but not unduly burdensome or damaging to the classification of RSLs as independent bodies.

Finally, I must raise concerns about the loss of the current requirement that RSLs be non-profit-making organisations. I fully understand the need for the regulatory regime to allow the regulator to oversee profit-making bodies that choose to get involved in the provision of social and affordable housing. That naturally flows from the Government's entirely sensible approach of encouraging private developers and house builders to become more involved in mixed-tenure developments, and indeed to be able to bid for social housing grant in certain circumstances. There must be a level playing field, with common requirements for all, whether they are profit-making or not-for-profit. However, it is a different matter to open the door to existing RSLs converting from not-for-profit to profit-making status, as the new formulation in clause 111 appears to do. That would, at a stroke, give credence to all the scaremongering of organisations that are opposed to the transfer of tenancies between sectors, who claim that a transfer from a council to a housing association is privatisation that would expose tenants to potentially rapacious profit-making landlords.

RSLs can and do cross-subsidise their work, and several are involved in directly building for sale, knowing that the profits made from that part of their activity can be ploughed back into supporting other very necessary social objectives. There is no need for the new definition to enable such activity, which takes place at present, and I urge my right hon. and hon. Friends to look again at the provision.

The Bill contains a number of other important, laudable provisions, including measures to promote higher standards of energy efficiency and sustainability, measures to clarify procedures for consulting tenants, and the option for local authorities to explore new financial freedoms outside the housing revenue account. Those, and the other points on which I have focused, are all good reasons for welcoming the Bill and supporting it through all its parliamentary stages, as I do. Inevitably for such a long and complex Bill, points of detail will require amendment, and I hope that that can be achieved as the Bill makes progress, but that is no reason to oppose a measure that will be vital to the delivery of the Government's commitments on one of the most important social issues facing our society.

5.23 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), who has forgotten more about housing than most of us ever knew. I am only sorry that there is not room in the new Brown Administration for his talent. As for the Front-Benchers' speeches, I thought that my hon. Friend the Member for Welwyn Hatfield (Grant Shapps) made a robust speech, and I found the Minister for Housing's speech much more partisan than the one that the right hon. Member for Greenwich and Woolwich would have made if he had been introducing the Bill.

I begin by mentioning clause 267—a clause that no one else has mentioned, but that represents a triumph by Housing Ministers over the Treasury. As the House will know, many local authority tenants have voted to transfer from a local authority to a housing association in exchange for guarantees on rents and commitments to investment in their homes. For theological reasons, the Treasury has insisted on rationing the number of transfers each year, and as a result a number of tenants have had to wait for the improvements, and the local authority has had to wait for the receipt of capital that it would have reinvested in new social housing.

Clause 267 prises the clunking fist of the Treasury away from this process and, we hope, brings an end to the rationing of large-scale voluntary transfers. My welcome for that clause at the end of the Bill is balanced by an unforgivable omission in chapter 4, which deals with the functions of the new Homes and Communities Agency. One of the aims of the Bill, which I applaud, is to empower tenants and give them more choice, but there is nothing in the Bill that requires the landlords of social housing to work together to enable tenants to move from one landlord to another.

Unlike owner-occupiers or private sector tenants, who can up sticks and move, social housing tenants are not in control of their destiny. The stock distribution of their landlord is often based on local authority boundaries, and if they want to transfer it can take a long time so to do. The popular and successful national mobility scheme, which was inherited by the Government in 1997, collapsed earlier this year owing to mismanagement. There is now no way that a tenant in, say, Andover can move to another constituency except through laborious methods such as those which existed when I first became an MP 33 years ago, with a tattered reciprocal exchange book and the individual negotiating skills of housing officers.

I had a debate on this fiasco earlier in the year. It remains my strong view that there should be in the Bill a statutory basis for a national mobility scheme, and I hope the Bill will be amended in Committee in order to secure that. Without it, the promise of empowerment and choice for social tenants rings rather hollow.

Margaret Moran (Luton, South) (Lab): The right hon. Gentleman and I both spent time on the homes board in previous years. I agree with his point. Does he further agree that for the Bill's objective of increasing social and economic mobility and opportunities for social tenants, the statutory homes-type organisation will be critical so that tenants can move where employment is available?

Sir George Young: What I want is a provision in the Bill that obliges somebody to run a national mobility scheme. I hope that if an amendment along those lines is tabled and if the hon. Lady is on the Committee, it might have her support.

The main thrust of the Bill is basically to split the Housing Corporation into two, and it adds extra functions to each half. On to the investment half is tacked English Partnerships, and on to the regulatory half is tacked Oftenant, which will eventually cover all social tenants. The social housing landscape will change significantly when the Bill goes through. It is worth pausing to reflect that the most successful private finance initiative that the country has ever seen

has been the Housing Corporation. Some £35 billion has been invested in social housing, with not one default. If one compares that with private finance initiatives in health, transport or defence, one can see that it is a fantastic record. One could argue that instead of abolishing the Housing Corporation, the Government should be cloning it.

It is vital—I pick up a point that the right hon. Member for Greenwich and Woolwich made—that, in the new landscape, we continue to generate substantial private capital to invest in social housing, and nothing in the Bill should prejudice that aim. In particular, the new regulator must not cause housing associations to be reclassified as public sector bodies. I remember the so-called Ryrie rules, which meant that the private funds raised by housing associations scored as public expenditure, wholly negating the advantage of borrowing from the City. We must not return to those days, and we need to address the concern of the National Housing Federation that the regulator might inadvertently so reclassify. That would be a shot not so much in the foot but much higher up.

On the case for the abolition or splitting of the Housing Corporation, which was set up some 40 years ago, there has been a rather academic debate as to whether the dual responsibilities of the corporation—regulation on the one hand, and investment on the other—complemented or compromised each other. I tended to be in the complementary camp, for the reason that I have just mentioned. There was an implicit reassurance for investors that regulation of housing associations would have an eye on the lenders, as well as on the tenants. Having both functions under one roof meant that money was not lent to housing associations, for example, where there were doubts about corporate management, and there was a one-stop shop for housing associations.

I hope that under the new regime we are not heading for a Northern Rock-type scenario by spreading responsibility for housing associations over more than one institution, with the new HCA being a sort of Bank of England in control of the money supply, and the new Oftenant being in control of regulation, with a possibility of confusion and regulatory failure.

As the Minister said when she introduced the Bill, the HCA is about supply, and there has been much emphasis on the need for 3 million new homes. Supply should, of course, be increased, and we all want to see faster help for those in housing need. However, I must make a basic point: the quickest and cheapest way to help those on the waiting list is to create vacancies for them in the existing housing stock. For those on the waiting list, the statistic that matters is not the number of new social houses built, but the number of re-lets in the existing housing stock. We should be doing far more to accelerate the number of re-lets by helping those whose circumstances have improved to do what many of them want to do, namely become home owners. The part of the Housing Corporation budget that promotes mobility has been squeezed, and I hope that the HCA will revisit that balance. In turn, that would help to encourage demand at the lower end of the housing market and give confidence to house builders. If we are to hit the ambitious target, we must look to the private sector as much as possible to build the new homes rather than the public sector.

Andrew Stunell (Hazel Grove) (LD): The right hon. Gentleman has rightly pointed to the need to increase mobility, but surely someone who can buy and therefore leave a council house is most likely to buy that council house. How does he propose to prevent that mechanism coming into play, which would result in not more council housing but less?

Sir George Young: In the scenario that the hon. Gentleman has described, there would be a capital receipt, which could be reinvested in new housing stock in order to help the person on the waiting list, so one would achieve the same goal by a different route.

Mr. Love: One of the most interesting findings in the Hills report is that the number of re-lets in the public sector is decreasing rapidly and that the only way to address that problem is to build new supply.

Sir George Young: I agree that if one is going to incentivise existing tenants to move out, it should be accompanied by measures to increase supply in the private sector; otherwise one will simply drive up house prices. If one were to do the first, one would need to do the second in order to avoid house price inflation.

On a related question about the balance of the budget, there is nothing in the Bill about private sector renewal, because the funds come from elsewhere. However, the emphasis on affordable housing, which has been brought forward from the Green Paper, has pre-empted a huge chunk of the overall housing budget. If, for example, one examines the small print of the comprehensive spending review 2007—the public service agreement 2007, as was—one sees that the target for decent homes has been deleted. The improvement of social rented homes to decent standards is now one of 198 optional indicators in local authority agreements. There are now no indicators relating to the improvement of private stock or to the specific delivery of adaptations. The housing pot will be under enormous pressure to deliver the targets for new affordable homes, and the initial indications are that there will be substantial reductions in other parts of the housing budget and particularly those parts of it that go to private sector renewal.

I am the chairman of a small national charity, the Foundations Independent Living Trust, which helps elderly or disabled people on low incomes to stay in their homes, or to return to their homes after they have been in hospital, by working through home improvement agencies. More and more older people are home owners and want to live with dignity in their own homes for as long as possible. Home improvement agencies face enormous pressure on improvement grants, and there is a real risk that by putting so many eggs in the new build social housing basket, the Government will pay a price elsewhere on the housing front.

My main concern about the Bill is the balance between the HCA on the one hand and local authorities and housing associations on the other so far as delivery is concerned. I believe in devolving down, so the job of building houses or communities is for local government or housing associations—it is not a job for a new national quango. The Housing Corporation did

[Sir George Young]

not build homes directly. If one examines the powers being given to the HCA and the language used by Ministers, it appears that the HCA will displace existing delivery agents and centralise decisions that are currently taken locally. The Chartered Institute of Housing got it right when it said that it saw the HCA as "providing flexible tailored support". The HCA should be an enabler—a sort of godfather. The notes on the Bill tell us that it will be able to establish new communities or work to regenerate or develop existing communities, buy land and provide employment and training opportunities. It even has powers to preserve trees, deal with antisocial behaviour and own houses. That poses the question: why are housing associations or local authorities not performing those functions? The Bill sits rather uneasily with what is stated in "Homes for the Future":

> "We want to see local authorities step up to play a stronger role in addressing the housing needs of all residents. We want to see them develop their strategic housing role by using the full range of housing and land use planning powers".

Yet clauses 13 to 17 take those powers from local authorities and give them to someone else. If a new town is going to be built, then of course a new town corporation needs those powers, but rebuilding existing communities should be done by democratically elected and accountable local authorities working in partnership with housing associations that have their roots in those communities.

On Oftenant, I hope that we will get light-touch regulation leaving housing associations to get on with the job, not go back to the old days of prescriptive regulation and interference. The Bill suggests that the regulator's functions go way beyond those relating to housing and intrude into other areas. Environmental and social and economic well-being functions also come under the regulator, whereas if they were carried out by anybody else, they would not. There is a risk of regulatory creep.

Clause 173 gives the regulator powers on rents. We need to think through how his powers on housing association rents will impact on local authority rents, because there is still a gap in many parts of the country.

On clause 54, I am surprised that we are still running down the new towns. I thought that I wound up the last of the new towns in the 1980s. It was argued then that we could not dump all the land in Milton Keynes on to the market. Yet here we are, 20 years later, still making provision for what the Commission for the New Towns owns.

I welcome the provision regarding members of the armed forces, who tend to miss out when it comes to the allocation of housing. Does the relevant clause cover wives in circumstances where the marriage breaks up and the husband leaves the Army, leaving the wife and family behind in married quarters?

There will be upheaval and turbulence, and there will be a cost, which risks diverting attention. I want a regime that decentralises, resources and empowers those in the front line, and guides and helps in delivering the new homes that the country needs; I do not want over-regulation, duplication or centralisation. The Government will have to be very careful if they are to get that balance right.

5.38 pm

Jeremy Corbyn (Islington, North) (Lab): I welcome this opportunity to have another serious debate about housing needs. As one who represents an inner-city constituency that is very much up against it, I look forward to the possibility of conquering at least some of our housing problems.

It is worth putting it on record that during the past 10 years there has been a phenomenal amount of investment in the decent homes standard, which has delivered a great improvement, and in improving the common parts of estates. That is very welcome. Lectures from the Tories about social housing policy sit rather ill when those of us who were in this House throughout most of the Thatcher and Major years remember how local authorities were starved of funds to undertake basic repairs. In 1997, the incoming Labour Government inherited a massive backlog of repairs and disorder in estates and housing. Now is the time—perhaps it is well past the time—to move on to building housing for people in very desperate housing need; and they do not come more desperate than people living in inner-London constituencies.

Like all my colleagues, I hold regular advice bureaux and I am heartbroken every week by the stories of overcrowding, tensions in families, illness that spreads between children because they are unable to have separate bedrooms and of underachievement in school and over-participation in criminal activity because of factors relating largely to housing shortages and gross overcrowding. As a country, we have to do something about that and do it very quickly indeed.

It is not just in the council housing sector that people are living in poor quality, overcrowded housing. As my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) and others have pointed out, when homeless families present themselves to a local housing authority, the arm's length management organisation, if there is one, or the council's housing department, if it still has that form of management, increasingly cannot do anything for them, so they are then put into a private sector, privately rented place, through a rent deposit scheme.

I have visited far too many of the privately rented flats into which councils put people, and I can tell the House that they are appalling, disgusting, badly repaired, badly maintained, and they often have an absentee or distant landlord who does not care what is going on there. And for the most part, we are paying the bill for that through housing benefit. I have come across people whose rent of £300 per week or more is paid largely by housing benefit. As I explained to the Secretary of State for Work and Pensions last week, I have no quarrel whatsoever with the principle of housing benefit being used to pay rent. I do, however, have a problem with paying rent for poor quality places and—I know this is not the subject of the debate, but I would like to draw the House's attention to it—the increasing existence of a benefit trap created by high private sector rents.

If someone gets a job, they lose their jobseeker's allowance or income support; they probably lose all or most of their housing benefit; and they can only get a maximum of £60-a-week in-work benefit for people returning to work. I welcome the principle of that

benefit, but it goes nowhere near meeting housing costs for inner London or, I suspect, other parts of the country either. We are creating a perverse trap that I am sure no one intended to create, but our function is surely to try to do something about it.

John Battle (Leeds, West) (Lab): On that point, would my hon. Friend not agree that even some housing associations have rents so high that if a person gets a job, they have to move out and are lost altogether?

Jeremy Corbyn: I was going to come on to housing associations in a moment, but I accept my right hon. Friend's point. Although the Bill does not go far in the direction of regulating rents in the private sector—if it does so at all—we have to consider that issue. The private sector rented market in many parts of this country is in effect a housing benefit rented market because such benefit is paid into it more than anything else. We have to consider such issues seriously. In London, where the shortage of all forms of housing is most acute, we have problems with people buying to rent. That money ought to be better invested in social housing rather than just being poured into the pockets of private landlords. I know that the Minister is aware of that, and is concerned about it. It is something we can and should do a great deal more about.

As I have pointed out, because of existing housing legislation there is a growing tendency for tenants to be forced into a choice of going into an ALMO or staying with the local authority. Hitherto, unfortunately, opting for an ALMO attracted subsidy, debt write-off and investment, while staying with the council did not. ALMOs exist in most parts of the country. In some cases, they work all right, and in some, they work very well indeed. However, I hope the Minister will be able to help me with a governance issue when he responds. Councillors in elected local authorities are responsible for what their authorities do. If something goes dramatically badly wrong in housing and the service is run directly by the local housing authority, a councillor has to answer for that. It is not the same under an ALMO. People might well be elected to the board of it, but they assume a corporate identity and corporate responsibility on election. It is not a responsive election process designed for the tenants or leaseholders who have elected the board, but for the perceived needs of that board. I would prefer a more robust democratic process.

The Bill deals with registered social landlords—housing associations. Although I acknowledge that they are now the major providers of new homes for social and secure rent throughout the country, they have had, increasingly, to borrow large sums of money. Under the Tories, the proportion that they borrowed increased a great deal and, because they borrowed so much, they have to balance their books and far too many RSLs now finance improvements to their properties to fulfil the decent homes standards by selling existing properties. In an area of high housing stress, such as my constituency and those of many of my hon. Friends, it makes no sense to sell housing association properties to do up the remaining such stock. I am sure that everybody recognises that every house sold means that somebody else is staying longer in private or hostel accommodation and not having their housing needs met. Surely we can do better than that.

I should like us, first, to stop RSLs developing into property companies that buy and sell land and deal increasingly in selling existing properties and, secondly, to examine seriously the governance issue that affects housing associations and introduce much more tenant participation and democracy into their running, instead of the direction in which they have unfortunately been going in the past few years.

I want to speak briefly about planning in London. London is growing fast and the Mayor has done his best to try to ensure that 50 per cent. of all major new developments provide what he calls affordable homes. I asked the Department for a definition of affordability and I got one, which I think I understand, but it was not the answer that I wanted. Affordability means that a person on an ordinary living wage in a community can afford a property. Eighty per cent. of my constituents—I suspect that those of my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) are in the same boat—have no chance of buying on the open market in our constituencies. Even those on professional salaries have no chance. Many properties that are on sale for key workers or for part rent-part purchase are also way beyond the reach of anyone locally. We are not providing affordable homes, but simply calling something affordable. Developers are good at describing something as affordable to get planning permission but simultaneously claiming that they cannot meet communities' social housing needs.

I want us to be tougher on planning law and tougher with the developers. We should tell them, "If you want to develop in inner London or any other part of the country with high housing stress, we want at least half the housing to be affordable rented accommodation." That means controlled, fixed-rent accommodation. Far too much development is unaffordable and not proper social housing. Although few social homes—for want of a better term—have been built in my borough in the past few years, far too many of those that have been built are one or two-bedroom flats when family housing is desperately needed. There is nothing more depressing than a large family in a small flat or house, who know that there is no chance for several years, until the kids have grown up, of getting anywhere decent to live. Imagine how miserable that is for the kids and imagine the tension that that creates. We all pay the price through failure in education and many other areas of society because we do not house people properly.

We are beginning to turn the corner on housing policy. I wish that we did not have such an obsession with owner-occupation when we should be obsessed with decent homes for all. The hon. Member for Chesterfield (Paul Holmes) asked the Minister many questions. I hope that, in answer to some of them, social renting and people in housing need are not defined in such a way that someone who is unemployed or on benefits and is allocated a council or housing association flat has it taken away from them because they get on fairly well and find a reasonable job in a profession. Surely, as the Government often tell us, strength lies in mixed communities. A council estate or a housing association block is a mixed community—

[Jeremy Corbyn]

long may it stay that way. I want a clear answer from the Minister at the end of this debate saying that that can be achieved.

My absolutely final point is about family policy and housing policy. Our society is changing and will continue to do so. The Minister for Housing acknowledged that in her opening remarks and others have said it too. We have far more single households and far more people living in extended families, and all kinds of other complicated relationships. It is time that housing allocation policy caught up with that. If a divorce happens and a family breaks up, that is obviously sad, but these things happen and we have to try to provide the children with the best opportunity that we can to have good contact with the parents. If the parent who does not have full residence with the children is offered no social housing whatever and ends up in a bedsit, that is damaging to that parent's relationship with the children—it is usually the father—and to the children themselves.

I know that it is expensive, complicated and difficult, but surely we are here as a Parliament to try to do something about those with desperate housing needs. That includes children and everybody else. The Bill will give us an opportunity, I hope, to invest in housing need and start to transform the lives that have been blighted by the free market, private landlord system, which too many people have to live under at the present time.

5.51 pm

Mrs. Maria Miller (Basingstoke) (Con): I am pleased to take part in this debate, because housing is probably one of the most important issues in my constituency. I should like to focus my remarks on the powers and responsibilities of the new Homes and Communities Agency, in part 1 of the Bill, and how they might be better looked at.

I should like to start with the role of the HCA and its ability to take planning power from local authorities. We in this Chamber represent a wide diversity of constituencies shaped by local history, local economies and, importantly, our locally elected representatives. The Bill paves the way for a potential dislocation of planning the future of our communities from the people who live in them. I am concerned that provisions in the Bill will mean that the HCA may have the opportunity to take local control from towns identified as centres for growth. Basingstoke has been identified by the South East England Development Agency as a diamond for growth. We are proud of that, but equally we feel that we need to keep control over how that develops within our community. I look to the Minister who will be winding up this debate to reassure me that that will be the case, because constituencies such as mine are the lifeblood of the country. They provide jobs and wealth, and it is important that they should continue to be as successful as they are now.

I should also like to mention the ability of the HCA to acquire land under schedule 3 and, with the Secretary of State's consent, to acquire land compulsorily that it could then use for planning and development, which is a far-reaching power. I suppose that I am particularly interested in that provision, because in my constituency we have already felt the Secretary of State's hand and her ability to intervene in local planning decisions, in the decision on the German road development in Bramley. Despite two planning reports, including one from the Government's own planning inspectorate, which said that developing 400 houses on a narrow plot of land in the village was unsustainable, the Secretary of State felt that the Government knew better and could come in and mandate that the development should go ahead.

I am therefore cautious about the intervention of the Government in such matters. Perhaps the Minister could reassure me on when the new quango may intervene in such circumstances. I am thinking in particular of an area to the west of my constituency called Manydown locally. The area has been earmarked for major development, with perhaps 100,000 houses to be built over the years, and is currently owned by the local district authority and the local county council. It has been decided, again as a result of a local planning inquiry, that developing that land at this point is inappropriate. Would the new HCA simply be able to intervene, acquire the land compulsorily and go ahead with planning, despite the views of local residents and locally elected representatives at both the county and borough levels? Perhaps the Minister will turn his remarks to that when he sums up.

It is also interesting to read the wide-ranging powers that the new body would have under the Bill with regard to open spaces, such as commons and allotments. In my constituency and, I am sure, those of other hon. Members present, local residents set great store by the ability to have open space in their communities. In my constituency, allotments are an important source of enjoyment and quality of life for many residents, who use them to great effect. Are we to believe that local authorities such as mine that try to protect those areas of land from development could be penalised?

Emily Thornberry: Will the hon. Lady please enlighten us as to how many new homes she thinks Basingstoke needs and how many the country needs?

Mrs. Miller: I thank the hon. Lady for such a useful intervention. I can tell her exactly how many new homes Basingstoke needs, because as I said at the beginning, housing is an issue that we take seriously. I have been told by local officials that we need around 600 houses a year in Basingstoke, but Government targets have dictated that we are currently building 1,000 units a year. We are happy to shoulder some of the burden imposed by the deficit of housing in the area, but in my area we are fortunate to have an unemployment rate of only 1 per cent. The hon. Lady will probably know where I am going with this one, but that low unemployment rate means that we are dragging more people in my area—it is a great place to live and I am proud to represent such a great part of north Hampshire—who then have to go outside Basingstoke to seek jobs.

We are obviously concerned about the importance of protecting the green spaces in our communities. Indeed, some of those green spaces have become an integral part of our drainage system, for example. As some hon. Members may be aware, in the 1960s the London overspill was built into the heart of our community and is now an important part of what makes Basingstoke a thriving

place. The construction of those estates relied on quite large amounts of open space surrounding them, to ensure that flooding did not occur. Are we to imagine that under the Bill those estates will lose those open spaces, which are so integral to their design, or will we see investment for further improvements in our drainage systems, after the tremendous amount of flooding in the recent summer storms?

There are other elements of concern in the Bill, which I am sure will be considered in more detail by those who are fortunate to serve on the Committee. I refer in particular to the ability of the new HCA to acquire burial grounds and other religious sites for development. I am sure that that would only ever be done in a sensitive manner, but the way it is described in the Bill perhaps needs a little more detail, to ensure that it does not cause any concern or possible uncertainty in communities such as mine.

I should like to turn to the responsibilities of the new quango for infrastructure. Infrastructure improvement is not currently going hand in hand with the house building targets that the Government are foisting on the south-east of England. I was somewhat concerned by some of the language in the Bill relating to the responsibility of the HCA to provide infrastructure. It states, for example, that the agency "may" provide infrastructure. The terms used are vague and lack specificity. In particular, the Bill lacks a commitment to ensure that any house building targets will be matched by improvements in local services.

My hon. Friend the Member for Welwyn Hatfield (Grant Shapps) expressed the view very succinctly in his opening speech that infrastructure needs to be guaranteed, and I should like to reiterate that on behalf of my constituents, who are suffering from a lack of investment in infrastructure locally. That is now starting to cause significant problems of traffic congestion on our roads, and on main arterial highways such as the M3. I am running a strong local campaign, with the support of about 1,000 residents, to get remedial measures put in place at junction 6 of the M3 to deal with the congestion problems there. The Minister might be interested to learn that those problems have resulted in two fatalities in the past two years.

The Government also need to explain how the HCA is to be held to account. If there is to be no obligation to ensure that a sufficiency of local services goes hand in hand with any house building programme, how are we to ensure that the agency can be held to account?

I should like to highlight a couple of measures that I would have liked to see in the Bill. First, and perhaps most importantly for my constituents, there are no measures to tackle the barriers that still exist to prevent first-time buyers from getting into the market. It is all well and good to talk about housing targets and building more houses—we are building 1,000 new houses a year in my constituency—when all that we have seen over the past decade are house price rises that have outstripped any increase in wage inflation.

I should also have liked to see a provision in the Bill to ensure that enough family homes with gardens are built, rather than the high-rise blocks that are increasingly becoming the trend throughout the country. The hon. Member for Islington, North (Jeremy Corbyn) also made that point in his speech. In my constituency surgery, I meet families who are being forced into accommodation that simply does not provide sufficient space for them to bring up their children in the way that they want to. I am concerned that my local authority is being forced to give permission for the building of more tower blocks when my constituents need more family homes. It would also have been useful to incorporate in more detail provisions to encourage the development of more community land trusts, which would give residents the ability to participate in purchasing their own homes at a reasonable price. Many people have an aspiration to own their own home for their family.

I have just returned from an interesting trip to visit our armed forces in Afghanistan, and I am pleased to see that the Bill contains provisions to help ex-armed forces personnel to find accommodation. That issue has caused particular concern in my constituency. I hope that the Minister will be able to respond to some of the points that I have raised, which are important issues, not only in my constituency but throughout the south-east and the rest of the country, and are worthy of consideration.

6.4 pm

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I hope that no one with any experience and knowledge of the conditions in their constituencies would wish to oppose the promise of 3 million new dwellings. I hope that that goes without saying. I shall support the Second Reading, but I hope that a number of amendments will be made in Committee to improve its narrative. As I see it at the moment, its narrative is "Private good, public bad", and that needs to be challenged and dealt with properly in detail in Committee.

It is right to remind ourselves that, immediately before the Conservative Government of 1979, about a quarter of families lived in local authority housing. About 5 million local authority dwellings formed part of the general housing stock of 20 million homes. The figure has now shrunk to about one seventh. That has coincided with the present crisis—I have to use that word—in housing. People might say that that is a spurious statistic, but I do not believe that it is. We can all find examples in our constituencies to support the idea that there is a strong, direct correlation between the loss of publicly rented housing that was subsidised for the public good—I shall mention the S-word again later—and our present problems.

I regret to say that, in my constituency, under a Labour Government, the waiting list for local authority—now ALMO—dwellings is longer than it was at any time under the Thatcher Government. I am almost ashamed to stand here and say that. I cannot help but draw the conclusion that that is directly related to the disastrous policy not of selling council houses but of giving them away. A situation was allowed to develop in which people bought their houses at rock-bottom prices, found that they could then move into the proper private ownership sector, and left their houses to be let by an agent. I shall come back to that issue in a moment as well; it is a very serious matter in my constituency.

I welcome the building of 3 million additional dwellings, but I say to the Government that it is important to know how we are going to do it, and what proportion will stay where. At the risk of being described as a

[Mr. Ken Purchase]

militant I suggest that at least one third of those houses should be built, controlled and managed by our local authorities. That is essential. I also think that perhaps 1 or 2 per cent. should be developed and managed by housing associations, and I will tell the House why. The great Anthony Crosland, who knew about these things, recognised that local authorities had to have policies that could be seen to be consistent, fair and even-handed between one applicant and another. They therefore devised points schemes that recognised the different factors that affected someone's need—or not, as the case may be—for a local authority dwelling.

Housing associations have had no such problem. They are usually organised by voluntary groups, often involving people known as do-gooders. Do-gooders are always better than do-badders, as far as I am concerned. The associations were able to meet the needs of those who fell outside the points scheme, however broadly defined it might have been. They have therefore played a vital role in allowing people that little bit of flexibility that the local authority, with the best will in the world, could not provide.

Two thirds of the rest of the homes were owned by the people who lived in them, and I would also advocate that strongly. The Labour party was never opposed to people owning their own homes; we just objected to the ownership of homes by private landlords. We had learned the lessons from 1903 or 1904, when more than 90 per cent. of all houses in this country were owned by private landlords. We all saw, read about, knew of and understood the conditions that prevailed for the vast majority of families and people throughout those years. Then, however, came the giants.

In 1945, we had a Government who understood that the very best contribution to improvement in public health was publicly owned, built and managed housing—better even than the national health service itself. On the shoulders of giants such as Bevan—and, indeed, Attlee for facilitating it—Stafford Cripps, Dalton and others and more recently the great Anthony Crosland, who preceded my hon. Friend the Minister who is in his place, we understood not only that people had a desire to own their houses but that a capitalist society, sub-divided and stratified as it is, needed a facility to look after its own and to be able to say with pride, "We have a stock of housing that is fit for purpose and occupation and shall be occupied by people who at any time require and need it."

Yet, since those days, particularly under the Conservative Government, we have seen that very practical scheme taken apart. We saw the sale—not really a sale, but a giveaway—of council houses. What happened was based on the ideas of a person who used to represent one of the constituencies in my city of Wolverhampton—Enoch Powell, who said, "All these council estates should be broken up into small parts and sold off to private landlords." Well, we have come close to that with the new industry of mortgages for buying to let. We are returning to the days at the turn of the 20th century when 90 per cent. of homes were owned by private landlords. How far down the road do we have to go before we understand the lessons that we should have learned?

What we hear is the great mantra—I am afraid it is new Labour's, too—of diversification, choice, choice and more choice. Let me tell the House that this choice does not come free of charge. To misquote my great hero, Harold Wilson, one man's choice is another man's redundancy, another man's difficulty, another man's inability to get a decent house. We need to understand that these diversities should remain on a very small scale in local communities where willing people come together to do something helpful. Our great thrust should be to recognise that the two thirds-one third split served us extremely well—notwithstanding the fact that some homes were poorly managed; the local electorate had an opportunity to do something about that. We must recognise that there are straight lines that people will understand, are explicable and will meet our needs: no gimmicks.

Let me deal with suggestions about regulation and Oftenant. I have already heard one or two tenants' leaders describe it as "Bugger Off Tenant". I think that there is a real danger of that becoming the case. Let me tell Members what it can do—

Madam Deputy Speaker (Sylvia Heal): Order. I am sure that the hon. Member made an inadvertent remark. He may wish to reconsider that description.

Mr. Purchase: I never speak in order to offend, Madam Deputy Speaker. I was, in fact, quoting tenants' leaders. I certainly do not approve of that statement myself. I could never subscribe to that—*[Laughter.]*

The time is slipping away, so let me make an important point about the duties of Oftenant. They extend to

"the nature of the housing demands to be addressed,... the extent to which demand is to be supplied,... criteria for allocating accommodation,... terms of tenancies,... levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent),... maintenance,...procedures for addressing complaints by tenants against landlords,... methods for consulting and informing tenants,... methods of enabling tenants to influence or control the management of their accommodation and environment,... anti-social behaviour,... landlords' contribution to...environmental...well-being"—

and so it goes on. That is actually describing new means-testing—and my party does not approve of mass means-testing, so I say to my Ministers that that has to be addressed seriously. We cannot, we will not, and we must not tolerate a situation in which people's tenancy of a local authority home—or, indeed, of an ALMO—depends on their income. I hold as an ideal mixed estates of people from different walks of life and I do not believe that it is within the Labour philosophy to exclude people from what may have been their home for 20 years on the basis that they have suddenly got a better job. That is an absolute outrage. In supporting the Bill tonight, I want to make clear the responsibility of Members in Committee to ensure that proper amendment is made in good time.

6.16 pm

Mr. Mike Hancock (Portsmouth, South) (LD): Let me first declare an interest as a member of a local authority that is still, fortunately, a housing authority.

Let me take the House back to the beginning of the debate when I asked the Secretary of State about the

change in the housing revenue account subsidy. Other Members suggested that it was in the Bill, but they cannot have read it. My city of Portsmouth, which was proud to build 31,000 council houses, now has fewer than 13,000. As others have said, that residue comprises houses that were not bought because they were in unsuitable locations and were undesirable. We have been left in an appalling situation. Whether Labour, Conservative or Liberal Democrat, our local authority prided itself on honouring its commitment to tenants to keep well maintained properties and to keep rent at respectable levels, but it is now being punished. Unless there is a substantial change in how the housing revenue account subsidy works, we will have lost £7 million in council rents by the end of this year and £97 million if it continues to 2013. All that money will have been stolen from Portsmouth's council tenants in order to subsidise authorities that have not done what they should have done—look after their properties properly.

The Secretary of State says that it is all about balance and that some did well. Of course some did well, as they had huge problems. The shame of my city is that there are more people on our housing waiting list today than there were in 1945, when half of the properties in the city were either demolished or so badly damaged by the Luftwaffe that they were uninhabitable. Yet today, we are writing to people saying, "Your wait on the housing list is going to be so long that it is pointless for you to be on the list. Please do not ask for housing." What have things come to when a country such as ours cannot provide people with somewhere decent to live?

Members who believe that the housing subsidy problem will be resolved by the Bill should read the small print. They should read the Local Government and Housing Act 1989; they should look at where exceptions are made. It is a shame that the Secretary of State did not read it and tell us who would be the beneficiaries. It will certainly not be local authorities such as mine or many others represented by hon. Members present.

I enjoyed and greatly shared the sentiments of the speeches made by the hon. Members for Wolverhampton, North-East (Mr. Purchase) and for Islington, North (Jeremy Corbyn). Both touched the nerve of what the debate should be about. It is about housing need and giving people a reasonable expectation that in a reasonable amount of time they can have the opportunity of living in a decent house. I was brought up in a council house—like other Members, I suspect—and I am proud of it. Parker Morris gave me things that kids who I went to school with envied, such as a bathroom that was a separate room—indeed, a bathroom that was inside the house. Many of my contemporaries who lived in privately rented properties did not have that luxury, and I shall always be grateful to Mr. Parker Morris for the council house standards that he introduced.

Richard Younger-Ross: Where have they gone?

Mr. Hancock: Sadly, the standards have dropped, and most of the houses have been sold.

We must examine the real issues in housing. We need a root-and-branch review of the way in which housing benefits are paid. At least two Members mentioned that. Many of the problems that we encounter in our constituencies relating to both price rises and the difficulty of renting property are caused by our failure to ensure that the price charged matches the quality of the property. The hon. Member for Islington, North was right to say that we should be more careful and more inquisitive about the standards of private rented property if we are paying public money. Is the £14 billion a year paid in housing benefit really good value for money? It is for those who are lucky enough to be in decent houses, but those who are not in decent houses would seriously question any claim that we do not need a review.

We must consider what the need really is. Over the past two or three years, the concentration in south Hampshire has been on small properties—one-bedroom flats, some of them high-rise, and properties with a maximum of two bedrooms. As the hon. Member for Basingstoke (Mrs. Miller) pointed out, people with children need decent homes. If the home is a flat, it should have facilities nearby so that the children can play, but it should really be a house with a garden so that the family can develop in the harmony that we all want.

As others have said, the larger four and five-bedroom properties have vanished from the face of housing association builds. I doubt whether any Member could name a large estate on which more than 1 or 2 per cent. of properties are four-bedroom houses, but every local authority in the country needs properties of that kind. Why are they not being built? Why can we not understand that families who need decent homes need that type of property? We need to break down that barrier to development.

I support the view that if we are to have 3 million new houses, 1 million of them should be council houses. I do not see anything wrong with calling them what they are. What do terms such as "social housing" and "affordable housing" mean to people? The Minister could not even give the hon. Member for Islington, North a suitable and understandable definition of affordable housing. People understood what council housing was, and we should be proud of the fact that local authorities in this country built those houses. Tory, Labour and Liberal authorities did it and should be proud of it, and we as a Parliament should trust them enough to give them the chance to do it again.

Like the hon. Member for Wolverhampton North-East, I have some doubts about the role of Oftenant. I am curious to know who will start the ball rolling. Who will set the initial guidelines?

Mr. Purchase: It is a job for the boys.

Mr. Hancock: Yes, or the girls for that matter. I am also curious to know who will set the punishments that will be afforded to those who offend against Oftenant's regulations.

The right hon. Member for North-West Hampshire (Sir George Young) raised two fundamental points that have been generally ignored. One concerned the need for a national mobility scheme to enable tenants to move between authorities. I have seen very good results when people have been given that opportunity. Nowadays a person must be on a witness protection programme to move from, particularly, a London authority.

[Mr. Hancock]

The right hon. Gentleman was also right to question the commitment to our armed forces. How easy it is for a service marriage to break down. The serviceman leaves the married quarters, and within days—hours in some cases—a notice to quit is put through the door, telling his wife and children that they are no longer eligible for service accommodation. Where do they go? Do they go to the local authority where the married quarters are, or do they return to the part of the country from which they came, with no help whatever from the military? If the Bill is really to cater for the needs of service families, the Government should understand one of the biggest issues facing conurbations such as mine in south Hampshire—and, for that matter, in north Hampshire and Colchester—where large service units are sited. Fifty per cent. of all naval accommodation is in the greater Portsmouth area, and marriage break-ups in the area cause much suffering among people in that position.

We have not heard much about regeneration. It will work only if local authorities, housing associations and the private sector and their tenants are brought together in an equally sided triangle. It cannot be forced down people's throats, and it cannot be generated simply by the willingness of a private developer to say, "I will put money into this area, provided that you do what I want you to do." That will immediately alienate the tenants, and probably the local authority as well. The issue needs to be thought through seriously.

While I agree with many of those who have said that there is much to be welcomed in the Bill, I think that the Minister should consider a sunset clause for comes to the Homes and Community Agency. It ought to be conditional on whether Labour stays in power. I should be very reluctant to see a Tory Minister with the power that such an agency would deliver. Like Labour Members who have spoken, I was in local government when the Conservatives were in power, and I know how difficult it was. *[Interruption.]* The hon. Member for North-East Bedfordshire (Alistair Burt) is commenting from not a sedentary but a horizontal position. If he cares to interrupt and put me right, I shall be only too pleased to hear from him.

I remember from my days in a local authority the way in which local authorities that wanted to develop council housing were punished by the Conservatives, and I should be extremely reluctant to give them the power that goes hand in glove with the establishment of a Homes and Community Agency. I should be extremely nervous if an election ever went the other way.

Emily Thornberry: If the hon. Gentleman wants to ensure that Labour remains in power, he is welcome to help with my canvassing session on Saturday. We are inviting Liberal Democrats.

Mr. Hancock: It is for the hon. Lady to work that one out. I merely want to see the right thing done for people who want to be rehoused. I think there is a great deal in the Bill that will offer people the chance of a decent home, provided that Ministers heed much of what has been said this evening and, I suspect, will be said in Committee.

It is important that we get this right. With the possible exception of immigration, I do not think that any issue with which I deal in my advice centre does not relate at least partly to housing. Whatever the issue—crime, education or health—it can be traced to the same fundamental flaw. For a long time—the best part of a decade or in some cases more, probably 20 years—we have been unable to give people decent homes. A decent home is something to which every Member in the House aspires, and we should do all we can to ensure that the rest of the community has the same chance.

I hope that Ministers will listen. I was bitterly disappointed with the Conservatives' performance this afternoon. I hoped that they would give us a straight answer to a straight question and tell us how many houses they believed were needed, and what proportion would be for social housing. More important, I expected them to be a bit more constructive about a Bill that would offer people at least an opportunity to fulfil that aspiration to a decent home.

6.29 pm

John Battle (Leeds, West) (Lab): I, too, warmly welcome the Housing and Regeneration Bill. I liked the emphasising of the word "regeneration" by the hon. Member for Portsmouth, South (Mr. Hancock). The Government now acknowledge in public policy the desperate need for affordable, decent homes for families to rent. We had moved away from that for far too long.

My hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) said that there is a "crisis", but I believe it to be a crisis of hidden family homelessness in Britain. The Bill acknowledges that, and puts forward practical proposals and new budgeting structures to start to tackle it. I profoundly believe that 80 per cent. home ownership, which could be better expressed as mortgage indebtedness or as mortgage dependency, is socially and economically unsustainable. That is far too high a level for any society, so I welcome what I suspect might be a helpful rebalancing in the Bill.

My regular advice surgeries in my inner-city constituency, like those of my hon. Friend the Member for Islington, North (Jeremy Corbyn), are overwhelmed by people suffering what could be described as housing stress. Such people include: young couples who are desperate to get a home of their own and are sleeping on sofas with families; youngsters with children who are sleeping in the front room with their grandparents; and people who are overcrowded in what are euphemistically called "box rooms", which fall well below the Parker Morris space standards. Such people perhaps have two cots, but they are trying to cope. People in flats with children—that was against the points system—will have to wait years for their kids to grow up before they change circumstances, and their only dream is to get downstairs to be in a home with a garden. May we start from the premise that there is a profound shortage of homes to rent, because the Bill does just that?

The right hon. Member for North-West Hampshire (Sir George Young), a former Housing Minister, suggested that people might be able to buy their way out, but I do not think that that is possible any more.

The reason for that is the fact that the gap between the floor and the first step in the housing ladder is well beyond their financial means. The average income in my constituency is £16,000 a year. The mortgage companies in the city assume that the average income in Leeds as a whole, which is doing rather well, is £23,000. My constituents are regarded as being on £23,000 when they are on £16,000, and they have no chance of breaking into the mortgage market. They cannot even afford to buy a modest back-to-back house, because such houses sell at £80,000. That is the scale of the problem.

It is not true that Leeds is not building houses. Some 26,000 private units have been built there since 1997. They are mostly expensive, single-person, single-unit flats and apartments to buy in the city centre, and support the booming finance and office sectors. We are talking about studio flats for professionals, but the problem is that they are well beyond the means of people in my neighbourhood—they will never be able to buy them. What is more, all the city council evidence shows that 70 per cent. of the new build stock has two bedrooms or fewer, but 70 per cent. of the city's housing demand is for houses with two, three or four bedrooms or more. There is a total mismatch between the needs of the people and what is being provided.

Anne Main: I share the right hon. Gentleman's concerns about the lack of family housing provided in many communities. Does he have any concern, as I do, that the Government's targets of densities have driven this situation and led to an inflexibility whereby developers say, "I'll give X units because I have to cram on so many"? The way forward would be if local authorities were more able to decide what sort of homes they want. This should not be density-driven.

John Battle: I am grateful for the hon. Lady's intervention, because she reminds me that the Conservative Government introduced what I believe was called the development corporation in my city centre. It introduced those density levels, which resulted in the flats that were built.

I remember the wife of a footballer who got a job in the city when Leeds United was doing rather better coming to my advice surgery to tell me that she had moved into a flat that had been built for Porsches and not for prams. What could the families there do—there were no doctors' facilities or shops? The flats were costing more than £200,000 to buy, but for the needs of the rich even they were inappropriate.

I simply suggest that there is an imbalance and mismatch between the type of housing that has been built and what is needed. We ought not to get the balance wrong again. There are plans to provide 3 million extra houses, but we must ensure that we do not simply build new units. We must build the right sized homes to meet the need. If we neglect that issue, we will make no progress.

I welcome the recognition that the first rung on the housing ownership ladder is now so far out of many young families' reach that the need to build affordable homes to rent should be acknowledged universally as a priority. We have made some progress. I also welcome the proposal to set up the new Homes and Communities Agency, and in particular the merger with English Partnerships. I say that because it brings together the land problem and the provision of buildings problem. When the former Deputy Prime Minister, my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), promised that he could build houses for £60,000 for first-time buyers the problem was that the value of the land was never added into that cost. Once that was done, the house cost much more than £60,000 and was again beyond those people's reach. So bringing together the land and development issues will be helpful. However, if we put the whole package together from the outset, it is also essential, as I believe the hon. Member for Portsmouth, South mentioned, that regeneration remains an essential part of the whole process.

Elements of the Bill on regeneration cannot be overemphasised, particularly in respect of inner-city neighbourhoods, where derelict and semi-derelict brownfield land could be brought into use for small-scale housing development now. Some of the housing associations have done an excellent job with what we called "pepper-potting" or "infill sites" to show that neighbourhoods can be built and to enable people who want to live near their parents or grandparents to live within communities again. There is a focus on communities rather than on simply suggesting that development be large-scale and further away.

Perhaps English Partnerships could intensify its work with local councils to begin to identify inner-city brownfield sites. I live in the inner city, and I am not asking for my neighbourhood to be concreted over, as someone suggested the other day. Plenty of space is available to use; derelict sites could be brought into use while leaving us new green spaces and play areas to redevelop neighbourhoods in the city. It is ludicrous that a young woman with a pram and two kids has to walk nearly a mile and a half up a hill to go to care for her elderly parents but the points system does not allow her to move into a house four doors down, which would enable her to do her care work on a daily basis. We should start to ask whether the housing development that we are putting together serves the needs of local communities and to put that focus back in. We can do that while insisting that we do much more to increase the supply and extend the number of properties that have been built.

I have heard no one in this debate suggest that we go back to the tower blocks of the 1960s, the "system build" houses, and the high density developments and the large estates beyond the ring roads that were generally soulless and did not have community facilities. Much more can be done with careful analysis. We can use brownfield, inner-city sites without creating a panic about building on, and encroaching on, the green belt. There is no reason why the only options are either new houses on green belt or no new houses. Much more can be done to redevelop inner-city neighbourhoods such as mine.

Rebuilding local communities must be sustainable. We should take much more account of one element in the Bill—the idea of the sustainability code. One of my Labour colleagues suggested that it be made mandatory, because simply putting the units up and not building in the future environmental and energy efficiency will be short-sighted in the extreme. We will end up where we have ended up every time that we have gone for a building push—we put up houses that we

[John Battle]

then knock down within 50 years. How often has that happened? We have put the houses up, found a fault, knocked them down again and wasted resources. Will we think a bit more long-term this time and build in that environmental sustainability? I am not only talking about the sustainability of the building. Will we begin to think more holistically about the sustainability of local communities?

I have always believed that Leeds is a city of urban villages. People can say which side of the street belongs to which neighbourhood and which street divides the neighbourhood. People on one side of a street come from Bramley whereas people on the other side of it come from Armley. Those clusters still exist even with a high turnover of 30 per cent. of the people moving through the neighbourhoods every three years. It is a high turnover area, but still has strong local identities, and we should focus on those much more. We should get English Partnerships to work with local authorities to identify where we could start the pepper-pot, infill building.

We should restructure housing finance. The sale of council houses was a massive discount sale, and the best third of the stock went—that is why there is such a drastic shortage. When I was a councillor, an old councillor dredged up some comments made when the first council housing in the country was built in my city in the 1930s. A Conservative councillor, who opposed council housing on principle, said, "Make the people buy, and then we will force them to vote Conservative directly." I hope that that old argument is by the way now, and that we are not playing politics with whether a home is to rent or to buy.

I suggest that the balance between renting and buying is out of sync and unsustainable economically, socially and in terms of providing neighbourhoods for the future. I hope that we can have all-party support, for once, for the proposition that building affordable, decent homes to rent is the right approach. At least the Bill sets a bit of a trail in the right direction.

6.41 pm

Anne Main (St. Albans) (Con): It is a delight to follow the right hon. Member for Leeds, West (John Battle). He mentioned density, and it was this Government who insisted on a high density of 30 to 50 to the hectare under PPG3 and often overturn my authority when it wishes to build at a lower density. I look forward to the Government giving more control back to local authorities to build the houses that they want.

The Homes and Communities Agency will be given a broad set of powers, including the catch-all provision that it

"may do anything it considers appropriate for the purposes of its objects or for purposes incidental to those purposes."

It may also

"impose charges for, or in connection with, anything done by it by virtue of"—

various sections—

"of such amounts as the HCA considers to be reasonable."

The devil will be in the detail, and with 121 pages of detail the Committee will have to consider all aspects of the Bill carefully.

As a matter of principle, I fully support the rights of local communities to decide how they take shape and grow. Too often, people in my constituency have felt dictated to on housing totals and density by the Government, so are understandably irritated when planning decisions made locally are controversially overturned by the Secretary of State. In Hertfordshire, we face the threat of continually escalating housing totals that we feel are unsustainable and lack supporting infrastructure. Indeed, infrastructure will be key to the Bill. We do not know the eventual housing total for Hertfordshire and, as my hon. Friend the Member for Welwyn Hatfield (Grant Shapps) said, we have some concerns about density and sustainability.

Richard Younger-Ross: The hon. Lady talks of high density as if it is a bad thing. There is nothing wrong with high density schemes provided that they are properly designed, the rooms are big enough and the facilities are provided. The advantage of high density schemes is that less land is used and, therefore, there is less incursion on to greenfield sites.

Anne Main: I agree that high density schemes can be well designed. Indeed, some of our wonderful Georgian and Victorian terraces are high density. The problem is that planning for an estate can be decided on its overall density, so it has large executive homes at one end and shoeboxes at the other. A blanket approach to density can skew a development and be very unfortunate for those people who are put into the small amount of housing that is designated as affordable.

The role of the local planning authority, along with the democratically elected councillors who make up the local planning committees, could be marginalised or made irrelevant by certain aspects of the Bill. If the HCA becomes a local planning authority as outlined in clause 14(2)(b), the role of the true local authority will be neutered. I cannot imagine that my constituents would be happy with the thought that the HCA were in control, rather than democratically elected councillors.

Clause 8 provides that the HCA may acquire, manage, reclaim, repair, improve and dispose of housing. My concern is that that is a duplication of responsibilities under the empty dwelling management orders for local authorities. If the HCA is to go ahead, EDMOs should be part of its responsibilities, to avoid duplication. I would like to hear the Minister's view on that point.

Clause 9 includes worrying provisions about the HCA's power to acquire land compulsorily, including allotments, commons, village greens, open spaces and public gardens. I checked with the lawyers on the Bill Committee the wording of subsection (5), which states:

"The power…to acquire land compulsorily includes the power to acquire land compulsorily for the giving in exchange for the land".

The information I received today suggests that the HCA will be able to acquire compulsorily land such as a common or village green and designate a piece of land elsewhere with similar rights. How will the

community that has the rights over the original village green or common have any say over the land that is given in exchange? Such pieces of land are often at the heart of our most beautiful villages and can be integral to village life and community activities. If we truly value communities, it must be a worrying notion that a piece of land used for community amenity can be swapped for a piece of land elsewhere.

That provision, and the replacement of the local planning authority, will mean that local people can be dictated to. Commons, such as the one in Colney Heath, are a valuable environmental resource, contain sensitive habitats and often define villages. If the HCA can compulsorily purchase them for development, what say would local people have if they lost commoners rights? Common land status is not only defined by greenery: some of our historic market towns contain tranches of common land, where commoners' land rights exist over hard landscape. When I was a councillor, I served on an old town regeneration scheme and we discovered that odd tracts of land in the village bore common land rights. Over the years, it had evolved from hard-standing for animals and carts into small car parks or marketplaces. If such common land is to be developed, we need to ensure that common land rights are not extinguished, but they would be very hard to duplicate elsewhere.

I am sure that the Minister will be as well versed as she needs to be on the subject of fuel allotments, which could also be exchanged or moved elsewhere under the Bill. I was bemused as to what a fuel allotment was until I read "A History of Clewer" today—if the Minister has not done so, I recommend it. A fuel allotment, which can be exchanged, sold or used for development, was established under an Act of George III in 1813 for vesting parts of Windsor forest and gave people foresters rights, including the right to collect fuel. I fail to see how a fuel allotment area—possibly an old piece of land with historic rights over it—could easily be replaced by another piece of land elsewhere. I look forward to examining in Committee how fuel allotments will be dealt with. Those details call for extremely close scrutiny.

Similarly, I am concerned that clauses 16, 17 and 21 of the Bill may neuter the role of the local highways authority. They allow private roads to be adopted, made into public highways or, sometimes, opened up. That could have far-reaching implications for residents who enjoy a private, semi-rural highway that is not laid to tarmac or, at the other end of the spectrum, those who live in the traffic-averse, gated environments that can be found on some of the newer estates. I understand that residents can appeal against compulsory adoption, but at what cost and on what planning grounds? Surely, any alteration to our highways would need new planning guidance for highways.

I also want to touch on the certificates of energy sustainability, and those who assess them. We are asked to accept that the new inspection regime will have 890 assessors in place by 2008, and I presume that we are meant to feel comfortable that they will be fully trained and in place by the right date. However, given the Government's handling of the roll-out of home information packs, and especially their failure to bring forward enough suitably qualified energy assessors, I am sure that other hon. Members will share my scepticism that the plan will fall into place in a timely manner.

For example, in March 2006 we were assured that between 5,000 and 7,400 full-time home inspectors would be required yet, by May 2007, the Secretary of State was compelled to announce to the House that the actual figure was far lower. According to a recent BBC report, a lack of work and inflated expectations of earning power had left qualified assessors deeply disappointed with their role. Will the new assessors in training for the energy certification job be able to look forward to far more security?

We need honesty and transparency in the energy certification process, as otherwise we risk a rerun of the HIPs debacle. I am concerned that there will be a degree of duplication and overlap with the energy assessors already in training. That needs to be looked at carefully, as we do not want the Bill to leave us with yet more duplication.

We have heard a great deal today about sustainable communities, homes and towns. Although a house must be eco-friendly when it is built, we must also ensure that similar consideration is given to the resources used to build it and to the labour force that put it together, as well as to other aspects of construction. The people who buy the homes will want to know whether servicing them will require lots of workmen migrating in and out. In my constituency, for example, there is widespread concern about a contemplated rail freight interchange. That would not be sustainable, as all the labour force required to service it would have to be brought in.

There are many problems with the Bill that will have to be ironed out in Committee. My constituents are lucky enough to have precious green spaces in their communities, but their biggest worry—which I share—is that the Government will shoehorn even more development into them. I hope that the Minister will be able to give me some comfort about that; if not, I hope that the matter, which many people regard as crucial, is explored fully in Committee.

6.53 pm

Julie Morgan (Cardiff, North) (Lab): This is a wide-ranging and complex Bill and I welcome it. I shall address my remarks specifically to its provisions in respect of Gypsies and Travellers. They make up only a small part of the Bill, but they are very important to a lot of people.

I am delighted that, in clause 272, the Government address the issue of security of tenure on sites for Gypsies and Travellers run by local authorities, and I welcome the fact that the clause gives residents of such sites the security of tenure enjoyed by residents of other mobile home sites. The proposals are very fair, and I welcome the Minister's commitment. These are important matters for Gypsies and Travellers, many of whom have come to the House to meet members of the all-party group on Gypsy-Traveller law reform, which I chair. They have told us about how the insecurity of the present arrangements has affected their lives, families and children. It is therefore very good that the Government are going ahead with the proposals in the Bill.

[Julie Morgan]

Nearly 40 per cent. of Gypsies and Travellers live on sites provided by local authorities, and they have suffered grievously from the lack of security of tenure. Increasingly, Gypsies and Travellers have wanted to retain a more permanent base while retaining the tradition of living in a caravan and travelling during the summer. Often, that is because they want their children to attend school and, as a result, many more Gypsy children attend primary school than used to be the case. I should say that most Gypsy children on settled sites do so, although that is not so true of secondary schools.

The lack of security of tenure has caused problems for Gypsies and Travellers when it comes to getting jobs, and it is well known that their health is much worse than that of the rest of the population. It has been acknowledged already in the debate that housing and health are very important factors, and that is more true of the Gypsy and Traveller population than it is of any other sector of society.

Anne Main: The Bill allows Gypsies and Travellers—or their family members—to purchase the sites on which they reside. Given the debate about the right to buy council houses, would the hon. Lady like any restrictions to be placed on that proposed right for Gypsies and Travellers?

Julie Morgan: The Bill proposes the same restrictions as apply to other mobile homes, but I agree that such matters need to be considered in detail.

The present lack of security of tenure means that site residents can be evicted even when they have done nothing wrong. The Caravan Sites Act 1968 provides that, to gain possession of a pitch on a Gypsy site, a local authority need only provide 28 days' notice of termination of a Gypsy's or Traveller's licence, after which it can obtain a possession order from the court. However, resident Gypsies and Travellers have no opportunity to put any defence against such an order and thereby to prevent their eviction.

In May 2004, the European Court of Human Rights decided the case Connors *v.* United Kingdom, in which the claimant had been evicted from an official local authority Gypsy site on which she had lived for many years. The ECHR decided that the lack of any procedural safeguard was a clear breach of the occupant's rights under article 8 of the European convention on human rights, which provides a right to respect for a person's home, private life and family life.

An amendment to the Housing Act 2004 gave judges the discretionary power to suspend possession orders, but it did not address or remedy the incompatibility found by the ECHR in the case to which I referred. That point was also made by the Joint Committee on Human Rights in its 13th report.

In November 2004, the Government sent a memorandum to the Council of Ministers indicating that they accepted that security of tenure would have to be introduced on local authority sites for Gypsies and Travellers. The delay in introducing that led me, in July 2006, to sponsor the Caravan Sites (Security of Tenure) Bill. Clause 272 of the Bill under discussion today provides most of what the earlier Bill sought to introduce, but I remain concerned about Gypsy and Traveller families currently facing eviction from local authority sites. They are not protected at the moment, and that is causing them a great deal of stress and difficulty.

I understand from the Minister that local authority Gypsy and Traveller sites will not constitute social housing under this Bill. I hope that the Government will reconsider that, and ensure that such sites fall under the authority of the social housing regulator. I welcome the fact that the regulator's objectives ensure that

"actual and potential tenants of social housing have an appropriate degree of...choice, and...protection",

and that they

"have the opportunity to be involved in its management."

Placing Gypsy and Traveller sites under the authority of the social housing regulator would fit in with the Government's planning policy statements on housing. Paragraph 37 of the document published by the Department for Communities and Local Government in May and entitled "Local Authorities and Gypsies and Travellers: A Guide to Responsibilities and Powers" states:

"Gypsy and Traveller sites are considered as affordable housing where they are owned and managed by a local authority or Registered Social Landlord."

Considering Gypsy and Traveller sites to be a form of social housing would help to mainstream provision, and could therefore contribute to the creation of the mixed communities that are part of the aim of the Bill.

If local authority-run Gypsy and Traveller sites were to constitute social housing, as defined by the Bill, the social housing regulator's objectives would cover most of the matters that are included in the Caravan Sites (Security of Tenure) Bill but which are not covered by clause 272 of this Bill.

My main purpose in focusing briefly on clause 272 is to welcome it and to tell the House what a difference it will make to the lives of so many people. The provision will not give residents of local authority Gypsy and Traveller sites special rights; it will simply give them the same rights as other residents of caravans or mobile homes. The disparity until now has been grossly unfair.

The clause will not prevent residents who break the conditions of their secure tenancy from being evicted. It will mean that, like tenants of other forms of accommodation, they cannot be evicted without good reason and without proof of an infraction of the rules. It is important that they have the same opportunities as other site residents.

The clause will not give security of tenure to anyone on an unauthorised encampment or development. The grave shortage of legal sites, which forces about a quarter of Gypsies and Travellers in caravans to park illegally, is addressed by the implementation of other legislation. I hope very much that local authorities will provide sufficient sites for those who need them, but it is too soon to say how successful that legislation will be.

Clause 272 will undo a serious injustice that has afflicted Gypsies and Travellers for too long. I am pleased that the Government have finally recognised that, and that they are implementing such an important

clause. I hope the provision will be taken up by the Welsh Assembly and that it will apply to Gypsies and Travellers living in Wales.

A decent home is one of the most important things for all of us. One section of the population has suffered badly in that regard and I am pleased that the Government are addressing the problem.

7.1 pm

Richard Younger-Ross (Teignbridge) (LD): When we debate housing, I often think about the two great leaders whose statues stand outside the Chamber—Churchill and Lloyd George, who stood at the Dispatch Box, arguing and debating the housing crisis of 100 years ago.

We had homes fit for heroes. In the 1930s, we had new, innovative garden cities. During the 1940s and 1950s, we built vast council estates. During the 1960s, we had new ideas so we knocked down a lot of perfectly good housing to build more new estates and tower blocks. Parliament debated housing issues then and we are still debating them today. We still have a housing crisis: we still do not have enough homes fit for our constituents.

In 1990, when I first started on my passage to become Member of Parliament for Teignbridge, there were just over 1,000 people on the council's waiting list. Today, there are about 4,000 families on the list. During that time, under the right to buy, Teignbridge council sold off more than 3,000 council homes, but because of financial restrictions and other constraints it has been able to build only 1,300, so it is no wonder that the waiting list in Teignbridge has grown: there is clearly a shortfall of 1,700 houses—homes that are lost to the public sector.

I want to raise two key issues about healthy housing. First, I shall draw together a few threads from what has already been said about good design. Earlier I mentioned tower blocks. Much of the housing built in the 1950s and 1960s has already been knocked down—in some cases because it was poorly constructed, but often because it was badly designed. The houses were not fit for purpose; they were not a humane environment in which people were happy to live.

In an intervention on the hon. Member for St. Albans (Anne Main), I said that high density is not bad density. High-density design can be good. While I am in London, I live in Dolphin square, which is a high-density block built in the 1930s. It is well designed and perfectly good for people's needs. Other properties, such as Georgian houses, are high density, but they work because space was created in them; the room sizes work for families. They are large enough for families to breathe.

Parker Morris standards, which were referred to earlier, guaranteed a minimum amount of storage, but they have been abolished. When I was a young architectural technician, I remember working out the amount of storage that had to be included in the design. When the standards were abolished, room sizes were the same but houses were slightly smaller because no storage was provided. What used to be part of the design of the house became part of the room fitments, so when we abolished Parker Morris we reduced the size of many houses.

People are being squeezed into more compressed spaces, yet the material needs of society are expanding. We provide much more for our children in their rooms. When I was a teenager I did not have a television in my room. I had a record player, but nowadays in most children's bedrooms there is a computer, a television and a record player.

Paul Holmes: Not a record player.

Richard Younger-Ross: Vinyl is making a comeback.

There is more need for space, so we should not have abolished Parker Morris; we should have revised the standards to take account of the fact that houses need to be bigger to meet the expectations of the modern family. We need the 3 million homes the Minister has proposed to be well designed. Homes and estates should certainly be sustainable but they must also be well designed.

We need to make sure that houses are big enough. There must be a good mix and diversity within an area to provide a humane environment. During the 1960s, we ignored the fact that people need defensible space. They need that space so that they can flourish on their estates and not feel hemmed in. Young people need to be able to let off steam occasionally, but without every other member of the household doing the same thing because they are all bottled up together in a confined space.

My second point about healthy housing relates to diversity of housing type. I said earlier that I worked in architecture. I do not know whether I should confess that I used to design houses; perhaps I should confess that a lot of the buildings that were knocked down because they were badly designed were ones I worked on during the '70s—probably a good job, too, in many cases. I would be the first to accept that. *[Interruption.]* Conservative Members shake their heads, but I did what I was paid to do. My first job as a young technician was designing clothes racks for the balconies of tower blocks. The buildings may still be standing, but they were appalling pieces of design and should never have been built.

The hon. Member for Cardiff, North (Julie Morgan) referred to Gypsies. I want to talk about another group of caravan residents—those in park homes. We were homeless at one point and I lived in a caravan for seven years, although at only 22 ft by 7 ft my caravan was rather different from modern park homes. During the passage of the Housing Bill in 2004, the Minister considered proposals for legislation on park homes made by the all-party park home owners group. She accepted that there was a need for it and brought in some much-needed legislation. We desperately need more legislation to control bad park home owners. There is an appalling situation in a park home site in my constituency. The residents are elderly, and they are stressed because they feel they are being bullied and that the site owner is trying to get them off the site.

I ask for a Minister to visit some of the park home sites around the country. They should not write in advance to say they are coming, because then everything will be done to clean the place up first. The visits should be impromptu. I—and, I am sure, other members of the all-party group on park home owners—will facilitate them; I am happy for the

[Richard Younger-Ross]

Minister to visit the site in my constituency. Ministers should take a look at the conditions that we expect some people to live in.

Park homes might be moved because they are too close together; they might be less far apart than the required 6 m interval. Teignbridge district council, for instance, decided to enforce the relevant legislation. Let us consider what can happen when a park home is moved. Those who move it destroy the residents' garden. They move the home a couple of feet, and in doing so they knock down the porch. They do not reconstruct the porch for the residents. They do not rebuild the garden for them. They do not in some cases even immediately put steps in place so the residents can get up to their front door. I have seen park homes with temporary building blocks left in place instead, and with no handrail so elderly people have to stagger up them to get through the door. Because of the condition the site is left in, when it rains a torrent of mud might run down through the site. The roads are potholed. The lighting is inadequate. When the site owners have moved someone off, they will leave the electricity box broken and exposed. The residents are elderly people who want their family to visit, but they do not want to let a young child wander around a site that is in such a state—they would not do that because they care for their grandchildren's safety. They are cut off because they do not feel they can allow their family to visit them as where they live is not safe.

People such as Mr. Small who runs Buckingham Orchard can run a site in such a way, however, and the local authority says there is little it can do. I ask the Minister please to do something to help those people. They are relying on the Minister. The Government have the opportunity to accept amendments to the Bill that will deal with such situations. In a previous Bill, the Government brought in a fit and proper person requirement for owners and landlords of housing in multiple occupation. I ask them to look into adding such an amendment to this Bill.

7.12 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I welcome the Bill as being the first serious attempt for perhaps three decades to seek to address the issues of severe housing shortage and unaffordability. The Conservative spokesman, the hon. Member for Welwyn Hatfield (Grant Shapps), tried—rather synthetically, I thought—to counter the Bill, and in doing so made one of the thinnest speeches I have heard for a long time from the Opposition Front Bench. The Bill is a major step forward, and he would be wise to recognise that, although I would be the first to agree with other Members that some aspects of it need further consideration, and I want to concentrate on some of them.

The first is the scale of new house building in relation to need—the Conservative spokesman refused on more than half a dozen occasions to comment on that. The number is still distinctly short of what is required. For more than a quarter of a century, public housing in this country has been starved of investment. It has plummeted from 6.1 per cent. of Government spend per year in 1981—the trend started under Mrs. Thatcher's Government—to just 1.6 per cent. in 2005. That is a staggering drop. If we put it in current price terms—which is the way to make sense of it—the Government today are spending about £22 billion less a year on public housing than their predecessors were at the end of the 1970s.

We should add to that the fact that half the public stock has been removed by sales and transfers of various kinds. The council waiting list was 1.6 million two years ago, and it is probably higher today, and it is now virtually impossible to get a council tenancy at all in current conditions. The situation in my town, Oldham, is similar to that in many other Members' areas: the waiting list is now 11,000 and the total number of council properties remaining after all the sales is only 12,000 or 13,000. Even if someone is lucky enough to get a council tenancy, the rent-setting formula has now been changed from pooled-historical rent to one that is partly related to owner-occupied housing in the area. Therefore, just as house prices have risen dramatically, rents have also risen sharply, sometimes so much that they are out of financial reach.

As Members have also said, no one today has got a conceivable hope of buying their way out into the private sector as almost everywhere in the country the ratio of mortgage loans to income is now 5:1 or 6:1, and in some places even 8:1 or 10:1. Nor is it clear—I find this very worrying—that a small increase in housing will necessarily stabilise, let alone bring down, housing prices in view of the fact that the flow of house-purchase lending, which is now at the staggering level of £1 trillion a year, is rising so much faster. If extra house building increases the stock by, let us say, 1 or 2 per cent. a year, which might well be an effect of this Bill, while at the same time the credit available to buy it is rising at 5 per cent. or even more a year, house prices can hardly be expected to fall.

I admire the aspirations of the Bill but I do not think it is ambitious enough. I think that what is needed is a return nearer to historical levels of housing investment and a major construction drive targeted at good-quality council housing made available at construction-cost-related rents and entirely unrelated to the ballooning prices in the private sector. Although the Government's proposals for increased house building are very welcome, I fear that they fall well short of matching the demand. The Government are proposing 200,000 new homes a year to 2016, and 240,000 new homes a year by 2020, but the housing economist with the best reputation in this area, Alan Holman, has estimated the required new housing formation every year at about 220,000 and that the extent of unmet housing need that has accumulated over the years—due to overcrowding, for example, and bad-quality, damp housing—is probably another half a million homes. If that latter category were to be cleared in a 10-year housing programme—which, I think, is modest—that would require 270,000 houses a year, which is considerably more than the Government's aim.

Mark Pritchard: I do not wish to embarrass the right hon. Gentleman, who is as a former Environment Minister, but could not much of the increased housing numbers he seeks could be found by local authorities doing far more to deal with their voids—with their empty properties—and by their releasing them back

into the rented sector? The fact is that some of the worst offenders in terms of not releasing such voids are Labour authorities. *[Interruption.]* Yes, they are.

Mr. Meacher: I entirely disagree with that. Of course voids are a problem, but the hon. Gentleman's suggestion that one should release more of those properties to the private sector is not the answer at all. The reason that they are voids is that there has been low investment and a low level of repairs. Let us not forget that, under the Conservative Government, repairs and improvements plummeted. The cost of the repairs that had been accumulated by 1997 was estimated in a report of that year to be about £20 billion. That is the fundamental problem and that is what the Government are taking their first steps to try to deal with.

More particularly, within the total, the number of additional affordable houses for renting, which is the epicentre of what we have to attend to, needs to be considerably higher. The Government propose an extra 15,000 houses a year, which is very good. It is 50 per cent. above the current output. But is it enough? I think the centre for housing and planning research at Cambridge has done the most recent and thorough work on this matter. It has updated the Barker analysis and has used the latest population forecast. It has estimated that an additional 60,000 social rented homes are needed by 2011—above the planned outputs in the Bill—to meet urgent newly arising need and to do what the Government rightly intend to do: halve the total in temporary accommodation, which is currently about 100,000. What we are seeing is a good first step, but we need to address the issue.

Tim Farron (Westmorland and Lonsdale) (LD): Will the right hon. Gentleman acknowledge that, even though the figures that he refers to may be insufficiently ambitious, they will not be met in parts of the country such as mine, which include national parks, where the restrictions are such that often housing need is not taken fully into account?

Mr. Meacher: We will have to see whether those targets are met. With regard to national parks, there is a serious environmental issue to consider. That is not to say that there should not be house building in national parks. However, as was referred to a few moments ago, as a former Environment Minister, I would want those needs to be reconciled with the need to preserve the landscape and amenity value of the parks. I do not believe that those things contradict each other, as the hon. Gentleman said.

Where are the extra houses to come from? I feel strongly that local authorities should be able to borrow on the open market exactly as RSLs can, against the security of their own housing stock. However, the only movement in the Bill on this matter is that a few councils will be able to access housing grant—that is welcome—but through an ALMO, or what is called a special venture vehicle, which seems an odd euphemism for a wholly owned private company. Even where those things exist, it is proposed that there should be a pre-qualification process before the councils are allowed to bid. It is likely that only a small number of councils will actually get to access grant. It is helpful and right that the Government are saying that local authorities should be able to keep the income and capital returns from new housing supply where the capital subsidy is provided by them. However, frankly that is of little use if councils cannot access the capital subsidy in the first place. We need to look again at that.

In addition to the adequate supply and funding of new housing on the scale required—particularly social homes for rent—there are a number of new policy developments in the Bill that cause some concern. As many others have said, the Bill establishes a new quango—the Homes and Communities Agency—to take over key functions such as the compulsory purchase of land and the granting of planning permission. However, if those functions are not to be left with democratically elected councils, which is what I would expect, at the very least the Bill should state that those decisions must be taken in co-operation with local councils.

The Bill creates an unaccountable regulator, Oftenant, and transfers key responsibilities from elected Ministers and Departments, including responsibility for such sensitive issues as the criteria for allocating accommodation, the nature of housing demand to be met, the extent to which housing demand is to be supplied, the terms of tenancies, the level of rent, the procedures for addressing tenant complaints, and even antisocial behaviour. Those are extremely sensitive matters of policy. I recognise that the powers will apply in the first instance to RSLs, but it is clearly the intention that they should be extended to council housing. In effect, after stock transfer, RSLs, ALMOs and the right to buy have shifted vast quantities of council housing away from local government, the latest proposal could go a long way to removing the rest from local democratic control and ministerial supervision.

This is a very far-reaching—I would even say breathtaking—proposal and it needs to be examined extremely carefully. It could well undermine ministerial responsibility for one of the most fundamental needs of citizens, which many hon. Members have spoken about eloquently. I am talking about the provision of good quality, high standard accommodation for all, and particularly for the poorest 20 per cent. in society, whose income and employment are so precarious that they are inevitably dependent on public subsidy.

Ominously, that proposal is further buttressed by two other proposals in the Bill. One is that profit-making companies will be allowed for the first time to register as social landlords under a lighter burden of regulation. That must inevitably chip away at social responsibilities. The other is that, for the first time—as I think that my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) said—means-testing is included in the definition of social housing. That inevitably abandons one of the fundamental founding principles of council housing in this country. Council housing was based on local authorities providing high quality housing for all sections of society, not just housing of last resort for those who cannot afford something better.

According to Professor John Hills, only 30 years ago, 20 per cent. of the richest 10 per cent. lived in social housing. Now, if the Bill goes through, council estates will further concentrate deprivation and council housing will be further stigmatised. The Government, as the champion of choice, ought to promote council housing as a tenure of choice for those who wish it. A great deal in the Bill is to be welcomed, but those issues need to be examined much more fully.

7.27 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): If people want to find the devolution dividend—the social gains from devolution—they should look no further than the Bill. Many of the objectionable, more nefarious proposals that the right hon. Member for Oldham, West and Royton (Mr. Meacher) has just referred to do not apply to Wales. The introduction for the first time of eligibility based on means-testing and the creation of profit-making social landlords—surely an oxymoron—do not apply to Wales, nor does the creation of a new quango. We got rid of quangos in Wales some years ago and we have no appetite for creating new ones.

Having said that, I agree with the right hon. Member for Leeds, West (John Battle) that there is something positive at the heart of the Bill. It is implicit that the Government have at long last recognised the scale of the housing crisis, or challenge as they may call it—certainly it is a huge social problem that we had better find some answers to quickly. At long last, there is finally an acknowledgement from Members not just on the Government Back Benches, but on the Front Bench, that the social rented sector, and particularly council housing, has to be a core element of the response. If there is to be a benchmark by which we judge the success of the Bill in years to come it should be the extent to which it has resurrected the council housing sector.

Unfortunately, over the past decade there have been more false dawns in Government policy on council housing than in the revival of the Welsh rugby side. In 1997, when the Government were first elected, they said that they would release the capital receipts that had been held by the Tory Government. Between 1980 and 1997, those receipts could not be touched by local authorities that wanted to build houses to replace those that they had lost as a result of the right to buy. The Labour Government did release the capital receipts in full, but only for debt-free local authorities. That is less than 10 per cent. of all local authorities. In particular, the most disadvantaged areas, where need was highest, could not get access to capital receipts, and about £3 billion of that money still lies in a fund. Those capital receipts, which were built up between 1980 and 1997 from the right to buy, are still held out to local authorities as a carrot; if they transfer their stock, they will get those capital receipts to beef up their general fund.

As I say, there have been false dawns. Take the prudential borrowing ability for local authorities. There was talk of an investment allowance on the part of the Office of the Deputy Prime Minister. That would have been based on need, and local authorities could have used the prudential borrowing requirement intelligently to build up their local authority housing stock. Unfortunately, the Government rejected the investment allowance route, and instead chose the method proposed in the Bill. As we know, post-1997, local authorities get only 25 per cent. of capital receipts from properties sold. The money goes into a pool system. Quite fairly, that is partly to redistribute some of the right-to-buy receipts across the country. I understand the reason for that, but it means that the local authority sector does not get the entirety of the right-to-buy receipts returned to it, even under a Labour Government. That surely cannot be right to any of us who want to support and defend the principle of publicly owned housing.

We hope that we will be able to amend the Bill as it goes through its stages in the House, and on that basis we will support it tonight. In the Bill, there is some acknowledgement of the problem. In the impact assessment, the Government admit that local authorities and the council housing sector have faced two problems. The first problem, as the Government admit, is that they channelled the money through registered social landlords. The second problem is that the housing revenue account subsidy system not only does not provide the entirety of the capital receipts, but does not even give local authorities back the entirety of their rent income. Only 74 per cent. of rent is returned to local authorities. How on earth can they keep up the quality and fabric of their existing stock, let alone build new social housing, given the iniquities of the system?

In the Bill, the Government provide two new options. One is for local authorities to exempt themselves from the housing revenue account system. The problem is that they must buy themselves out with a massive one-off payment to the Treasury. In their own analysis, the Government accept that the vast majority of local authorities, and particularly the ones that need the resources the most, will not be able to buy themselves out. That is part of the problem with Government policy on council housing. If an authority wants to be self-sufficient and wants the receipts of sales and income in order to invest, it has to buy itself out, but if it wants to transfer its stock, the Government write off its debt. That shows that, unfortunately, there still is not a level playing field under the Government's policy on council housing. The other option offered is to exempt new properties from the subsidy system. At least there is partial recognition that the subsidy system has worked against local authorities, but why not offer that exemption across the whole local authority sector? Why confine it to new build?

I have to tell the Minister that as the so-called flexibilities stand, they will be of very limited benefit to most of the local authorities in Wales. That is probably the case in England, too, and it is certainly the case for the authorities that we should care about most—those in areas where social housing need is greatest. Although the acknowledgement of the problem is welcome, the proposition that the Government present in the Bill will do nothing. It will get us nowhere near the level of new council housing build that we need.

I do not oppose targets; in fact, it is important that a Government of the left have targets when we are faced with a huge social need. Why is there no target for the number of council houses that we want, as part of the overall target? The Government refuse to say. There was reference to a figure of 300 new council houses a year—it is even less than that in Wales. That is appalling. All that the Government will say is that probably, as a result of the proposed changes, the figure may increase to several thousand a year. Again, that is a drop in the ocean, if we consider what we really need. Why are the Government not prepared to say that there should be an overall target for the

number of new council houses, as part of the entire figure? Then we can judge the effect of the new policy against the target.

On clause 259, I sympathise with local authorities that have gone down the stock transfer route. It is unfortunate that local authorities feel that they have no other option because of the way in which the cards are stacked against them. Recently, Conwy thwarted an attempt to take it down that route by the thinnest of margins—by 50.8 per cent. to 49.2 per cent. Tenants feel that they have no option. A number of local authorities in England and Wales, including Wrexham, have voted against such a change. However, it would appear that the Government are not satisfied when tenants vote no. Under the clause, a piecemeal approach is effectively created. Even when tenants and local authorities decide not to go down that route, there is the potential for landlords—even for predatory private-sector landlords, in England—to try to persuade tenants with inducements, and to cherry-pick the best estates, which eventually vote in favour of stock transfer.

How will it be possible for local authorities in England and Wales to plan for their council housing stock if they do not know, year by year, which estates will be part of that stock, or if the parts of the local authority housing stock that bear the highest income are transferred to the private or independent sector? That is the Tory Government's housing action trust policy of the 1980s: cherry-picking estates. If a whole local authority cannot be won over, the aim is to pick off individual estates. The Government need to think carefully about that.

Finally, in Wales, the Essex review on social housing regulation is due to report by the spring. Will it be possible to incorporate some of the review's recommendations in the Bill? In Wales, there is consensus that we would like to move to a single social tenancy. We certainly want to make sure that where tenants are pushed into the hands of the private or independent sector, there is no diminution of their rights. Scotland has already done that, and there was talk of a single common tenancy in England, although I am not sure what has happened on that proposal. In Wales, there is consensus: we want a single social tenancy across all sectors. Will the Minister allow us to bring such a proposal forward, if the review finds in its favour, in the framework of the Bill?

7.39 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): I have been advised that I should declare an interest before participating in the debate. I refer hon. Members to the Register of Members' Interests. When my brothers and I left home my mum was living on her own in a three-bedroom council house, so I helped her to buy a flat. The house was therefore released back to the council so that another family could live in it. When my brother resettled in England after working for nearly 20 years in central Africa as an aid worker, I gave him the money for the deposit on his one-bedroom flat. My husband owns a house that is rented out to some young people whom we know, who are on low incomes.

Until I was elected, I had no particular interest in housing, except perhaps from my own experience of how desperately we need to provide social housing. When I was seven, the bailiffs came. I remember that they wore bowler hats and they chucked us out of our house. We had nowhere to go. Thankfully, we were given a council house. I do not know what would have happened to us otherwise. I hate to think.

I now represent an area that has one of the worst housing crises in the country, and for me housing has become a passion. I do what I can. Sometimes it is hard, and I am willing to admit that some of my housing cases keep me awake at night because sometimes all I can give my constituents is tissues.

Last month a woman came to see me. I shall call her Jackie. She has two little children. She was going to be evicted the next week. The rent that she had to pay on her flat was far too much. She could not possibly afford it, so she had got behind and was about to become intentionally homeless. Islington council therefore had no obligation to rehouse her and would not do so. She was desperate to stay in the borough where her children were at school, but she has had to move many miles away to a private rented flat. I could not help her and her family get affordable housing in Islington.

I cannot say that that is the hardest case that I have had to deal with, but I raise it now because it reminded me so much of the situation that my mother was in 40 years go. The position has not got any better over 40 years. The overcrowding is worse and homeless families continue to face terrible crises. In Islington there are 13,000 families waiting for housing. Two thirds of those are living in overcrowded conditions. It is estimated that in the next two years 7,000 more households will be created, but the houses will not be built. Islington's housing crisis is desperate. The market cannot and will not provide.

The median income in Islington is about £25,000 a year. The entry level price for a two-bedroom flat is about £300,000, which is 12 times the median income. In this week's paper, the cheapest one-bedroom flat, an ex-council flat, is £250,000. That is 10 times the median income. What about the private sector and private rented homes? Unfortunately, there is nothing there approaching an affordable rent. The cheapest one-bedroom flat in this week's local paper is £210 a week. The person on a median income, £25,000, is taking home £320 a week, so paying £210 in rent leaves only £110 for food, bills, travel, council tax and so on.

Our median person, one of the 7,000 new households, cannot rent or buy in Islington. What will happen to them? Many of my constituents are poorer than the median person. The average household income of people on council estates in my constituency is £15,000 a year, and nearly half of my constituents live in social housing. Many of those households include children.

That brings us back to social housing and the 13,000 families on the council waiting list. Allocations are managed by a system that is laughably called choice-based lettings. There is no choice and there are hardly any lettings. Only those in the top half of the waiting list are even allowed to bid for properties. The bottom half, 6,500 families, have to hang on until things get better, and they are not getting better.

Perhaps the Opposition Members, none of whom is still in the Chamber, who campaigned so actively to

[Emily Thornberry]

ensure that we do not build any more affordable homes would like to guess where the woman whom I am about to describe is on the waiting list. She came to see me a year ago. She is a single mother with one child. She is homeless through no fault of her own and is living in a hostel provided by the council. Let us call her Fatima. She has one room in the hostel. That is no place to bring up a child. Hostels should be for emergencies.

Where is Fatima in the list of 13,000—in the top 1,000, who might have a chance of getting a home in the next year? No, because she is not seriously ill and nor is her child. Is she in the top 2,000, who could reasonably expect to be rehoused in the next two years? No. Fatima is in the bottom 6,500—those who have no chance of ever getting an affordable house in Islington. She came to see me again in my surgery recently. She still does not have enough points to bid for a home, so she is stuck in the hostel with a larger toddler now. She is on income support. Should she go to a one- bedroom flat in the private market at £210 a week? What would happen if she got a job? How would she feed herself and her child? Surely it makes sense for us to build enough affordable housing for rent so that my constituent has a chance of a home for herself and her child.

My Lib Dem Islington council's record on the matter is a disgrace. Councillors must be disconnected from real life in Islington. I cannot believe that they are intrinsically evil or wicked people, but they do not seem to understand the crisis. They will not stand up to developers and they will not refuse planning permission unless half of it is affordable housing that my Islington families can afford. Instead, only one in seven of all new homes that are being built in Islington is affordable rented housing. It is not good enough. I am pleased that the Government will step in.

Mr. Hancock: The hon. Lady obviously knows a lot about affordable rents. I would be grateful if she could tell us what the affordable rent is in those properties that have been developed for affordable housing in her constituency.

Emily Thornberry: I do not know, off the top of my head. *[Interruption.]* I am being prompted by one of my hon. Friends, but I do not know.

People buy up council housing and rent it out at extraordinarily high prices as temporary accommodation. We are expected to foot the bill by way of housing benefit. That is how people get caught in a poverty trap and we must do something about it. The only solution in the end is to build more. In Islington, where land prices are so high, the council could take advantage of that and say to developers, "You can't build here unless half of what you build is for local people. You can make your great big profits on the other half." That takes backbone, which my Liberal council does not have, and it ought to.

Mr. Hancock *rose—*

Emily Thornberry: No, I have let the hon. Gentleman intervene once.

The Bill establishes the Homes and Communities Agency, which will be an engine for the Labour Government to ensure that we build more affordable homes, thank goodness. We must make sure that our councils do the right thing. We must build more affordable homes, and we will build 3 million of them. That is such good news. Affordable housing in the Islington context is only social rented, so let us build. Let us build for the sake of Jackie. Let us build for the sake of Fatima. Let us build for their children. Let us build for the younger generation across the whole country, whose birthright was being sold cheap by those who are not on the Opposition Benches but who ought to be. This is a major social issue, but they have all gone off to the bars instead of listening to this incredibly important debate. There is—

Madam Deputy Speaker: Order. The hon. Lady is getting a little carried away. Let us remember that temperate language is the order of the day.

Emily Thornberry: I apologise, Madam Deputy Speaker.

Opposition Members are not in the Chamber to listen to this important debate. There is a younger generation who rely on us to ensure that more homes are built so that they have somewhere to live. If we do not do that, we are selling short the future of a younger generation. Let us ignore the nimbys and get on with it. Let us just build.

We want not just more housing, but better run housing. I do not agree with my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher). I welcome the provisions of the Bill.

We need housing associations to be more accountable locally. In my experience housing associations can have an excellent national reputation and in some parts of my constituency may be running estates well, but in other parts the estates are a disgrace. Let me give the House an example. I did a survey recently of housing association tenants. One of the questions that I asked was whether they were satisfied with the level of service that they were receiving. Peabody appeared at the top of the league tables, but it also appeared at the bottom. In Farringdon lane, the tenants all said that the service was okay, good or excellent; yet on the Priory Green estate 64 per cent. residents rated Peabody as poor or very bad. When an estate is badly run, there seems to be nothing that tenants, councillors or the Member of Parliament can do about it.

I visited Priory Green with the chief executive, Steve Howlett, in early 2006. Priory Green was built by Lubetkin. It was one of the jewels in the crown of the old borough of Finsbury's social housing. In 1998 it was transferred after a vote of tenants, who said that they wanted to go to Peabody. About £10 million of Government money was spent on the estate. Government and public money was spent on security works and on improving the structure. When I went to see it with Steve Howlett, the place was dire. We could just walk in, because the security gates did not shut. We climbed over piles of rubbish and through pools of fetid water. We chatted with residents about rats and mice and lack of hot water. We smiled sweetly at tenants climbing through a broken window, which seemed to be the quickest route to a working lift. A long list of improvements were promised.

Last week I had a coffee morning and four ladies from ground floor flats on that estate came to see me.

Two years have gone by and they still have no reliable hot water or heating. There are rats nesting in the basement and coming into their flats. Another resident stopped my assistant in the street. That resident is 67 years old. He has no heating, little hot water and a pile of rubbish outside his door. "It's not fit for dogs," he said. I visited another lady on the top floor, the seventh floor, where she lives with her elderly mother and two small children. She has no hot water either. She has been told that the pipes do not work that high up. When the lifts do not work, she is stuck there all day. I asked my coffee-morning ladies whether they had complained. They told me in great detail that they had, but that they could never get through on the phone to the person they wanted to speak to and that their calls were never returned. The 67-year-old guy in the street said that he had waited in all day on a cold day in November for a plumber who did not turn up. Those people should be able to hold their landlords to account.

In my private Member's Bill, the Housing Association (Rights and Representation of Residents) Bill, I proposed that tenants should be able to report their landlord, demand improvements, and, if no improvements occurred, swap their landlords for someone better. Hon. Members will therefore be able to imagine how delighted I was when I saw a similar proposal in the Bill. The Bill will allow the people of Priory Green to trigger an inspection if things do not improve on that Peabody Trust estate. I want the Bill to go as far as the suggestion in the Cave review, in which case if Priory Green were not to improve, the Peabody Trust would lose it and another housing association would take over.

I am pleased that the Bill does not include any attempt to remove security of tenure for tenants. I understand that that was never considered seriously, but I want to put on record my complete opposition to it, because it would penalise social tenants who work and exacerbate the poverty trap. I approve of incentives to help people move out, if they want to, but I am certainly against means-testing.

A possible addition to the Bill is a provision on overcrowding. We have a Dickensian definition of overcrowding from 1935 that excludes babies who are less than 12 months old. When mothers come to see me, they say, "My baby does not count! Of course my baby counts." The definition also includes kitchens and living rooms as rooms that people can sleep in. Nearly 500,000 households are overcrowded in Britain under the current definition, and 8,000 households in Islington are overcrowded. Shelter has done a lot of work on the effect of overcrowding on children's health and life chances. We need a modern definition, and then we must work to end overcrowding.

We can mess around with measures such as making sure that voids are given over quickly to new tenants, but in the end there is one major solution: we must build more and ignore the nimbys. Housing is a grave social problem. We have the solution; we have the vision; let us get on with it.

7.52 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): In the north-west over the past decade the housing scene in our large cities and towns has changed from one of low demand, and even of abandonment in our older terraced streets, to one of affordability. Affordability is not only a matter for London, the south-east, York and Chester, because it hits all our areas today, including my town of Bolton.

Regeneration has been one of this Government's successes—if hon. Members visit Manchester today, they will see all the cranes on the skyline—and it has extended to housing in our older urban areas. Whereas once we had street after street of decaying and deeply unpopular terraced housing stock from the factory eras blighting the lives of the people who lived there, today we have a new hope in most of those areas. I urge the Government not to take their foot off the accelerator of regeneration, especially in the pathfinder areas of the north-west.

Our region still faces the greatest incidence of low-quality private sector housing in the entire country. We need to invest both in providing new homes to meet increasing demand, which is partly driven by substantial demographic changes, and in valuing our existing stock, which needs the refurbishment that this Bill will hopefully provide.

As economic growth accompanies urban regeneration, people are—fortunately—being attracted back to live in our town centres. Town centre living has been positively encouraged in Bolton, where we have built on brownfield sites, such as the recent use of an old picture house, and converted old mills and churches into affordable accommodation for purchase. However, the speculators have moved in, too, and we have our fair share of buy-not-to-let properties in Bolton. Cities such as Leeds and Salford report that between 40 and 50 per cent. of new private sector flats in the city centre are empty, which is a scandal considering what we have heard this afternoon. The Government must try to tackle that. Are we building for sale far too many one and two-bedroom flats, rather than much-needed family accommodation?

Rising prices have restored confidence in recent years in the older end of the private sector market. Young people are now buying in areas that they would not have considered 10 years ago, and they are spending money on refurbishing homes at the cheaper end of the market.

I joined Bolton's housing committee in 1977, and after that we rightly abandoned general improvement areas, which were vehicles for tarting up run-down areas. Instead, housing action areas were introduced under the Tory Government, which were a way of not only substantially improving older properties, but investing in the surrounding environment. Our first HAA was declared in the Castle street area in my constituency in 1977. We promised the residents a further 30 years of life for their properties, and it is ironic that we are having this debate 30 years later. Those properties in Castle street, and many thousands more throughout Bolton that were refurbished after that under the HAA, must last for many more years given the current rate of regeneration. My fear is that if we do not tackle that problem large clearance areas will reappear at some point.

I am in favour of limited clearance, but not on the scale at which we used to do it in Bolton in the '60s and early '70s, when 1,000 properties were cleared every year. We must slowly regenerate our towns by replacing some of the clapped-out houses, otherwise we will face the major clearance problem that I have mentioned.

[Dr. Brian Iddon]

Although Bolton has supported the need for housing market renewal, which is clearly demonstrated by those areas chosen as pathfinders, it has meant a considerable slowing down of the regeneration of older properties in Bolton and throughout the north-west. The danger is that we will return to a point at which private sector housing falls into disrepair faster than we can improve it.

I welcome the formation of the Homes and Communities Agency under the Bill. Its focus will be on regeneration as well as the provision of more rented social housing. The Government have some tough challenges to face, but I hope that they will commit themselves to meeting those challenges.

In the north-west, house price rises far outstrip wage and salary growth, and there is an urgent need to develop a higher-wage economy in our region. In 2002, only four districts in the north-west were experiencing lower quartile house prices to lower quartile earnings affordability ratios of above five, but by 2006 only eight districts had a lower ratio, and a significant number had a ratio in excess of six. Those facts, along with the sub-prime crash in the United States, are having an increasingly serious effect on the British housing market as credit becomes harder to acquire, which is making buying a home much more difficult today.

I have been worried for some time that if the economy slows, stagnates or crashes—I hope that that does not happen—there will be nowhere to house those people who lose their owner-occupied houses. In my opinion, we have concentrated too much on home ownership, which is currently far too high at over 70 per cent. I ask Ministers how much further we can go beyond 70 per cent. Of course, it is most people's ambition to own their own home, but the problem is that many of those who have been persuaded or even cajoled into buying their own home can no longer afford to maintain it. Today, for example, I visited a refurbished council estate, where it was easy to pick out the houses that had been bought in previous years, because they desperately need refurbishment.

There is a desperate need for more affordable rented accommodation in the private and the public sectors: both have a role to play. The problem is that one third of our former council homes have been sold off through the right-to-buy policy. There is not much point in building more affordable rented homes if the right to buy will be applicable to them. Shelter shares my concern about that. I urge my hon. Friend the Minister to find a way of protecting such homes from sale in the future.

We need to replace those lost affordable rented homes as quickly as possible, as the housing market again changes rapidly. It is noticeable that the turnover of council properties has slowed down significantly and that, as a result, waiting lists have risen—in Bolton, from about 5,000 in 1997 to more than 18,000 today. That figure is very up to date, because we have just cleared out the dead wood in the waiting list by writing to everybody. It is a joint waiting list held between the council and all the housing associations in the town. Like Shelter and many Members who have spoken, I am completely opposed to the application of a means test for social rented housing. Social housing should not become residual housing only for the very poor. In 1997, the new Labour Government faced a backlog of £19 billion-worth of repairs of the council-owned stock caused by 18 years of gross neglect of that stock by the Tory Government. In the 10 years when I was chairman of housing in Bolton, from 1986 to 1996, I lost 70 per cent. of housing investment in our town. Is it any wonder that we face this crisis today?

The decent homes standard will be met in Bolton by 2010, and Bolton Homesforyou, the arm's length management organisation that manages the stock, has gone well beyond the standards laid down by the Government. I am pleased to announce to the Minister that the SAP—standard assessment procedure—ratings on Bolton's refurbished ALMO-managed properties averages 72 per cent., which is exceptional.

Today, 27 November, is Lancashire day, when, in 1295, the first elected representatives from Lancashire were summoned to Westminster by King Edward I to attend what became known as the Model Parliament. It has been a particular pleasure for me to take part in this debate, because although I live in Bolton I regard myself as a Lancastrian.

8.2 pm

Lyn Brown (West Ham) (Lab): Housing is of such fundamental importance to my constituents that I am absolutely delighted to be speaking here today. I should like to make three main points. First, I want to welcome the Bill and to illustrate the desperate need for appropriate affordable housing in West Ham. Secondly, I want to outline how the buy-to-let market has caused difficulties for my constituents and to seek some comfort from the Minister. Finally, I want to offer some thoughts on the proposed merger of English Partnerships and the Housing Corporation.

Newham has almost 6,000 families in temporary accommodation, often on short-term leases. Families in those circumstances have to move regularly and are unable to settle or to put down roots. They are often not on doctors' waiting lists or accessing preventive health care. They do not know where the library is, or the youth clubs or leisure centres. Children have to change schools several times or face long journeys to school each time they move during the 12-year-plus wait for local authority housing. That is very disruptive to a child's education and development.

Emily Thornberry: Is the experience of my hon. Friend's constituents similar to that of people in Islington, whereby those who go into temporary accommodation do not even remain in the borough but are sent many miles away?

Lyn Brown: It is not similar, in the main. However, I am grateful to my hon. Friend for her speech, because it put a human face on many of the difficulties that my constituents experience.

In Newham, 30,000 people are on the housing waiting list. To give some perspective, that number is roughly equivalent to the population of Pontefract, which is of course represented by my right hon. Friend the Minister for Housing. Tenants living in the private rented sector, waiting for a council home, pay in excess of £1,000 per calendar month for often cramped two-bedroomed flats

sitting over parades of shops. Even after the introduction of the minimum wage and support to families through tax credits, the vast majority of Members will recognise just how difficult it must be for families with high rents of that nature who wish to keep a roof over their heads and to work. My constituents also have to contend with the evils bedevilling overcrowded households. According to the 2001 census, more than a quarter of households in Newham were classified as overcrowded under the current definition, which, as we have heard, is not generous. Newham also has the highest proportion in the UK of households with five or more residents. This intense pressure on housing in Newham is exacerbated by the fact that the supply of new properties is not meeting local demand. During the summer of 2006, only 6 per cent. of the homes being developed in the borough were three-bedroom properties, whereas 65 per cent. were two-bedroom. Smaller properties are clearly a much more attractive option for investors, but they will not ease the immense pressure upon homes appropriate for families. The draft London housing strategy proposes that 42 per cent. of new social rented homes entering the programme should have three or more bedrooms. Does the Bill give the Minister the power to intervene if, once these targets are set, they are not being met?

As part of the developments planned for my area, including the Olympics and Stratford city, thousands of new homes are being developed; obviously, I welcome that. The intention is to ensure that all developments are mixed communities, with properties built for the social and private housing sectors. I genuinely believe that mixed communities are absolutely the right policy. However, building for the private sector is not a guarantee of mixed communities or a guarantee that it will provide for owner-occupation.

That is the crux of the problem. Forty-five per cent. of new homes in London are bought to let. A far greater proportion are bought to let in areas where property is cheaper; and, in comparison with many parts of London, Newham is cheaper. Official London borough of Newham statistics state that of the 950 new homes completed in 2005-06, only 132 were for social rented accommodation. Because of difficulties in data collection, Newham was unable to say how many of the private homes were for buy-to-let and how many for owner-occupation. Unfortunately, I have no doubt that much of this new private accommodation will have been bought for the letting market, bringing even more accommodation into the unaffordable private lettings sector in my borough. Given that we have nearly 6,000 families in temporary accommodation and 30,000 families on the waiting list, I wonder whether it is possible to consider how we might regulate the housing market to limit the numbers of buy-to-lets in any given locality, according to circumstance.

David Taylor (North-West Leicestershire) (Lab/Co-op): In the light of the circumstances that my hon. Friend describes, is she concerned or alarmed that the Bill envisages social housing grant, which is after all public money, being given to profit-making companies with almost no protection for tenants or taxpayers, when the same resources are being denied to good local authorities and their existing stock is being coerced away from them through pressured tenants' ballots? That is rather an odd mix, is it not?

Lyn Brown: I agree with my hon. Friend. I want more affordable housing in the public sector that owner-occupiers in Newham can afford to access.

Without regulation of the private letting market, I fear that new build in the private sector will only exacerbate an already difficult situation, resulting in the continued accumulation of unaffordable homes. Such regulation is not completely unprecedented. Planning permission in the Lake District national park determines the number and growth of holiday-let businesses in the area, with certain homes being designated for local occupancy only. I do not wish to draw an exact parallel, or say that this legislation can be easily brought to bear elsewhere in the country, but I ask the Secretary of State to give some thought to how homes built under our house-building programme can be targeted at those whom the scheme is meant to target and benefit—those with an aspiration to own and live in their own home, and those with public sector housing needs.

I do not ask that for social or ideological reasons alone, but for sound financial reasons, too. Housing benefit spending in my borough is £245 million per year. A third of that—£67 million—is spent on paying private landlords. The average amount of housing benefit paid to council tenants in Newham is £70 a week. The average payment for housing benefit in temporary accommodation is £350 a week—five times the housing benefit paid to council tenants. I seek additional regulation of the private rented sector, and I wonder whether the miscellaneous provisions of the Bill could be amended to accommodate that.

I am situated in the borough with the largest building site in Europe. If it is not, I cannot imagine anywhere else with more building going on. We have a population of migrant workers who almost uniformly find accommodation in the private rented sector, which in Newham consists largely of small terraced properties. Overcrowding in those homes is almost de rigueur. Landlords can and do make a killing, packing those homes with temporary residents. As the homes are too small to accommodate the number of people, many facets of living often overflow into the street and garden, which can lead to significant health problems. Such exceptionally high levels of occupancy are causing real stress in local communities and the local council does not have the powers to do anything about it.

I have discussed that issue with many of my constituents, who tell me that they will sell and move if the situation does not improve. That would be bad enough, but their homes are more likely than not to be bought to let, thus exacerbating an already difficult situation. That owner-occupier flight, if it continues at the present rate, could seriously jeopardise our efforts to create and sustain mixed, sustainable and cohesive communities in Newham. There are currently no real powers to deal with this problem. Under the Housing Act 2004, there is a mandatory licensing scheme for larger houses in multiple occupation.

Currently, the mandatory licensing scheme covers only homes with three or more storeys. The regime does not cover 80 per cent. of houses in multiple occupation, including the vast majority of those in my constituency. Having discussed that, albeit briefly, with the mayor of my borough, I understand that he would not welcome additional powers unless they were

[Lyn Brown]

accompanied by severe penalties. The financial reward for cramming small houses with large numbers of people is so great that paltry fines do nothing to deter the practice; rather, they reinforce contempt for the law and those who seek to enforce it. I hope that the Minister will consider extending the threshold to all houses of five or more occupants, and ensure that penalties are severe enough to act as a real deterrent.

I welcome measures to increase the regulation of social housing landlords, adding vital additional protections for tenants of housing associations. As I know from listening to my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry), I am not the only MP who gets frustrated by the lack of responsiveness to constituents' needs on the part of some housing associations. I am sure that the Office for Tenants and Social Landlords will allow tenants far greater opportunities to hold their landlords to account and encourage them to up their game. I hope that the Minister ensures that the new office has real teeth and the ability to penalise or break up associations if they are considered to be completely unresponsive to the needs of their tenants, or to be too large and unwieldy.

Finally, English Partnerships has been a key player in the regeneration of east London. It has demonstrated the capacity to turn unloved wastelands into attractive developments for people who wish to buy on the riverside. However, it has not always developed the social rented homes that my constituents desperately need. The Housing Corporation used to be criticised for what was seen as a rather cold and unsympathetic attitude—an assessment that was always a little unfair. However, in recent years we have seen a new mentality take hold within the corporation that is focused more on the homeless people and overcrowded families who desperately need the homes that it funds. Bringing the two agencies together is a logical move, but my final plea to the Minister is that when the time comes for the merger, the ethos of the Housing Corporation should prevail.

In conclusion, I believe that the Bill can significantly improve the circumstances of many in my constituency. However, the Government's efforts must surely focus on providing the homes that are needed most, to those that need them most. In West Ham, that means providing affordable family homes, for rent and owner-occupation.

8.16 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): My speech follows a succession of very good and powerful speeches on this side of the House, all of which have drawn attention to the problems that have arisen from 30 years of disinvestment in social and council housing, and from 10 years of low build levels of social housing. The inevitable consequences that follow—the powerful and terrible effects on people—featured in the brilliant speeches that we heard from Islington and West Ham.

The only answer is a bigger build programme. Fortunately, we are now getting that—belatedly perhaps—from the Government. As my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) said, perhaps the build programme is not big enough. The Cambridge study certainly indicated that it needs to be bigger, but at least we are starting along the road. However, I want to question whether we are doing enough to regenerate existing council estates and to improve the situation that they have been put into by the right to buy. This is a regeneration Bill as well as a housing one, and I want to emphasise that point.

I should begin with the inevitable mantra of welcoming the Bill. I have to say, in welcoming it, that I have some reservations. First, I cannot accept the introduction of a means test for housing. We would be saying that low-cost rental housing is for people who cannot afford to buy or rent at market rates. That means a means test, which is unacceptable to the Labour party or, I think, the people. A basic principle of Labour policy on council and social housing will be revoked by the clause in question. I do not know why it is there; I hope that the Minister will explain it to us. It should not be there, and we should not have any truck with such a policy. A means test for admission would mean that low-cost housing became a transit camp, not a permanent settled place of residence where people could build communities and settle their lives. They would have to be moved out when they reached a certain level, just as they had moved in because they had sunk to a certain level.

Secondly, I am concerned that local authorities, which must drive local housing developments because they know the needs of the people in the area and see what the problems are, are not in the central position that they should be. In fact, we are giving more power to the private sector by allowing private builders to register as social landlords, and by allowing registered social landlords to turn themselves into limited companies driven by a profit motive. Those seem to be retrograde steps and the emphasis should be on the councils. However, the impact assessment for the Bill says that the provisions for allowing them to build will allow the building of only 2,500 houses. That is after 300 houses had been sold in the last year.

Councils' first choice is to build 2,500 out of their own resources. If they do not do that, they must register—there is a procedure for examination and ratification—as ALMOs or special purpose vehicles. That will give them access to social housing grants. However, they will compete with the private sector and RSLs for limited funds. The Bill will therefore not put local authorities in the strong position that they should occupy. Local authorities should be the main providers of social housing. A much higher proportion of the housing that we build must be public housing for rent and the best way to provide that is through councils.

I am worried that that discrimination against councils is carried through to the local housing companies, of which there are 15. Councils are asked to give up land to the private sector and private developers.

David Wright (Telford) (Lab): My hon. Friend talks about local authorities being the main providers of social rented housing. I do not disagree that we need more council housing. Does he agree that it is crucial to enable councils to bring in private finance by changing the accounting system? One of the benefits of RSLs is that they can secure private finance. Surely we should give councils more power to bring in private finance so that they can build more homes.

Mr. Mitchell: I am grateful to my hon. Friend for the point, with which I shall deal—at perhaps inordinate length—later, depending on the time.

Local housing companies are a way to get councils to hand over land to private developers. Council houses will not be built on that land under the rules as I understand them. That, too, is a retrograde step.

My third reservation is that the Bill continues the campaign to cajole, pressurise and bully councils into privatising their housing stock. Indeed, it extends that campaign by allowing a group of tenants to get together—however manufactured that might be and even if it is a contesting group of tenants—to demand a large-scale voluntary transfer in their area. That is a terrible reversion to the 1988 Nicholas Ridley idea, which was barmy then and is barmy now, of housing action trusts. The proposal produced a massive tenants' revolt and was withdrawn shortly after having a comparatively minor effect. Why are we, a Labour Government, reverting to Conservative party policy, which failed in 1988? The question deserves an answer.

David Taylor: Is my hon. Friend as surprised as I am by the proposal to give the new regulator powers to transfer compulsory management or even ownership of council housing without consulting all the tenants, without a tenants' ballot and without the express permission of the Secretary of State? Is that not going too far?

Mr. Mitchell: I am not surprised but amazed that that is happening. There is no reason for it.

However, my main argument is that we should not continue the campaign of cajoling and bullying councils into privatisation. At least the ballots should be better regulated because most of them are an affront to democracy. The Department accepted a rerun of a ballot in Sefton—as if Sefton were Denmark—which produced a different verdict with a lower poll. I am amazed that the Government do not take the opportunity to tighten up such matters. The campaign to privatise weakens councils when we need to mobilise their energies and concern for housing to get behind the building drive.

The three faults that I have outlined are basic. The Bill's big idea is a new super-quango, constructed by merging the Housing Corporation and English Partnerships. That may produce a new synergy, but it will not do it quickly because such mergers take much time, create many difficulties and can be destabilising. Their consequences can also be messy.

The housing crisis is happening now. I put it to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), that the sort of discontent that housing and transport problems generated and that helped damage the Labour party in the south-east in 2005 will be much worse at the next election. We need the house-building programme now; we should not wait for a new super-quango to get its act together. The strains will grow—they are increasing all the time, as my hon. Friends the Members for Islington, North (Jeremy Corbyn) and for West Ham (Lyn Brown) have shown. I am worried about that.

I am not sure what to make of the ability that the Bill grants to councils to opt out of the housing revenue account. The impact assessment contains an incredible endorsement, which states that the arrangement "would not be viable for most councils. This settlement would create an opening debt level within those councils higher than could be supported by their income".

We offer an opportunity yet tell councils not to accept it. That is crazy. I do not understand it. If councils opt out, it breaks up the housing revenue account, and that will have an adverse effect on those that are left in. The provision is gobbledegook, which does not achieve what the Bill's main purpose should be—to implement the decisions of the Labour party conference. I personally regard those decisions as Labour party policy because the Labour party conference passed them three times, yet the Bill does not implement them.

The Labour party conference argued for a fourth option, which is a level playing field between housing associations—RSLs—and local authorities and the ability to raise money and to write off historic debt. Why should councils struggle on with historic debt when it is written off—simply as a bookkeeping transaction—for RSLs? Councils should be able to borrow—the Housing Act 2004 allows them to do that. However, the management and maintenance grant that the Department pays them is not adequate. The Government's business research establishment has told them that it is far lower than it should be. If they paid 100 per cent. of the grant that they should pay for management and maintenance, that would provide a revenue stream on which councils could borrow to build, renovate and improve. Why have we not done that?

We should end the £1.5 billion deduction every year, about which the hon. Member for Chesterfield (Paul Holmes) complained. There is no justification for that deduction. It should be left for local authorities to use for housing. It is a failing not to include in the Bill the intentions—indeed, the principles—that the Labour party conference enunciated and put councils on a level playing field with RSLs.

I want a return to the mixed communities that council estates were. In 1947, we changed the principle on which council estates were built from accommodation for the working class and manual workers to accommodation for anyone. As Professor Hills's research showed, a substantial proportion of the better-off tenth of society lived on those council estates in 1979. Since then they have become social dumping grounds, and that has broken down all sense of community. We must rebuild that, and that means making council estates mixed communities again, and refurbishing and regenerating them. All that is part of the problem of regeneration, which I hope that we can tackle through the Bill. There are faults in the measure and I look forward to improving it in Committee and on Report.

8.28 pm

Andrew Gwynne (Denton and Reddish) (Lab): I should like to draw hon. Members' attention to my entry in the Register of Members' Interests, as a member until May of one of the housing authorities in my constituency.

I am pleased to be called to speak in this debate, which I consider to be vital to many of my constituents and to the people of this country as a whole. It is a pleasure to follow my hon. Friend the Member for Great Grimsby (Mr. Mitchell), who spoke quite a few words of wisdom—I hope that the Government are in listening mode.

[Andrew Gwynne]

I welcome the Bill because if we get it right—I believe that the broad thrust is right—it will greatly improve housing. We all know what the problem is, as it has already been mentioned by other speakers. There are just not enough houses to meet the demand out there for people, and families in particular, to be housed. For the past 25 years or more, we have taken our eye off the ball, although we are all to blame to some extent. There is a substantial problem in my constituency and, from what we have heard, those of other hon. Members, too.

Whatever the rights and wrongs of right to buy—I do not intend to go over those today—without building houses to replace those that were sold off, let alone additional houses to meet the growing demand of an expanding and changing population, we have created a severe shortage in socially rented accommodation in parts of the country. That is certainly the case in my constituency, as an average advice bureau in any of the seven venues in the Stockport and Tameside parts of my seat would bear out.

How did we get where we are today? As we know, not only have local authorities been stripped of their financial ability to build more homes for rent, but they have struggled adequately to maintain the ever-diminishing stock that they managed, to the extent that billions of pounds of repair backlogs built up over the years. The investment made in those houses after 1997, bringing them up to the newly defined decent homes standard, was definitely the right focus for the Government initially. The work done by Irwell Valley housing association and the New Charter housing trust group in Tameside and by Stockport homes in Reddish is a testament to the massive investment in stock renewal that the Government have permitted and pursued.

New windows, doors, bathrooms and kitchens are fantastic, but only if people have a roof over their heads in the first instance. For too many people coming through the door of my advice bureau, there is no realistic prospect of being offered a home in the socially rented sector in the first place, because there are just not enough to go around. Like other hon. Members, I find it disheartening that, because of how the system works, younger couples—working but on low wages, struggling to do their best and bringing up families—just do not have enough points ever to be allocated anything.

Those are the very same kinds of families who after the second world war could expect a nice new council house—a semi-detached house, with a front and back garden for the children to play in. That provision was also there, just about, for their children, but sadly not for their grandchildren or their great-grandchildren. The reality today is that some of those young couples are forced to split up because of the lack of any prospect of being housed as a family. Some live in cramped conditions, with a friend or at mum's and dad's house, in the hope that the letter from the housing department offering them a house will come through the letterbox. That is far from ideal, but it is sadly a common occurrence I hear about at my advice surgeries.

The situation is made worse in that some of those families would previously have had the option of buying a small terraced property, of which there is a plentiful supply throughout my constituency. In the past, such a property was an ideal starter home for those who could just about scrape enough together to cover a small mortgage. However, over the past 10 years the property market in Denton and Reddish has boomed—excellent news for those with their feet already on the property ladder, but not good news for those starting out today.

The property market in my constituency has seen a 398 per cent. increase in a decade, albeit from a low starting point. The average cost of that small terraced house in Denton and Reddish is now £140,000. Some hon. Members might think, "£140,000? Wow—affordable housing!", but what is affordable to some is out of the price range of others. The average wage of my constituents is £16,800 a year, although for many it is much less than that, placing even terraced housing firmly beyond their reach. So the social rented sector is no longer an option and, for many now, neither is buying. At present, therefore, the only option seems to be the private rented sector.

Let me put it on record that there are some very good, honest, decent private landlords. I do not wish to tar all private landlords with the same brush. However, in my constituency and elsewhere rogue landlords are operating. They do not care a jot about their tenants or about the conditions in which they are forced to live. I have seen squalid conditions over which the local authority has few powers to intervene.

Lyn Brown: Does my hon. Friend agree that we need to modernise the whole of the private rented sector and to find ways of incentivising landlords, particularly those who are on the cusp between being good and bad? Perhaps we could offer to take them into a different tax bracket, but only if they were prepared to be decent landlords in the private sector.

Andrew Gwynne: I agree with my hon. Friend. As always, she has some imaginative ideas, and I hope that we shall be able to pursue some of them in Committee. Who knows?

As I was saying, it is obscene that people, especially children and the elderly, should be expected to live in squalid conditions. Furthermore, they are often being subsidised by the taxpayer to do so. Sadly, some of the properties involved are ex-council, bought under the right to buy, then sold on or passed down to people who rent them out without a thought of reinvesting in the property.

Emily Thornberry: Do we not also need to strike a balance between ensuring that there is sufficient provision of private rented housing and giving certain rights to the tenants in such housing? If we give the tenants too many rights, the sector will diminish. Given that the private rented sector is now expanding, however, does my hon. Friend agree that this might be the time to start improving the rights of private tenants?

Andrew Gwynne: Indeed I do. We talk a lot about rights and responsibilities, but unfortunately the tenants in the private sector often do not have the rights and the landlords do not fulfil their responsibilities.

I was talking about ex-council properties that are now in the private rented sector. In my constituency, there are two such houses next door to each other. One is owned by New Charter Housing, which took on all of Tameside council's housing stock in 2000, and has had thousands of pounds spent on it. It has a new roof, a new kitchen, a new bathroom, insulation and new windows and doors. It is an absolutely beautiful property. The house next door is semi-derelict. It is damp and cold, with rotten windows and doors and a 1960s bathroom and kitchen, with the mould to go with them. It is a disgusting flea pit. The rent for that property was £20 a week more than the property in the social rented sector next door. Its tenant—who has now, thankfully, moved out—was in despair because he could not get hold of the landlord, who was totally uninterested in his plight.

A useful statistic that I have received from the National Energy Action charity highlights this very real problem. In my constituency, it is estimated that 16 per cent. of properties would not meet the thermal comfort target set out in the decent homes standard. Given the massive investment in the social rented sector, one can only assume that the vast majority of that 16 per cent. are in the owner-occupied sector or, more likely, the private rented sector. This issue needs to be addressed.

My hopes for the Bill are high. This is not just a north-south divide issue. For sure, some of the circumstances are different in different parts of the country—the spectre of housing market failure exists in parts of the north, as does the ongoing debate on renewal or clearance—but many of the issues are the same. They include identifying growth areas; ensuring that infrastructure is put in place at the same time as housing is built; land use pressures; and the debate over green belt land. For my constituents, the simple, basic fact is that we desperately need more houses in Greater Manchester, particularly in Tameside and Stockport, to meet the unmet demand that we all know exists.

David Wright: Does my hon. Friend agree that it is crucial that these estates should not be mono-tenure? They need to be mixed communities. When we walk down a street, we should not be able to tell whether a house is rented, owner-occupied or in shared ownership. In the trade, this is often known as taking a tenure-blind approach. Does he agree that that is the way we need to go?

Andrew Gwynne: I very much agree with my hon. Friend, and I think that that is the way the general public want us to go. People do not want to be seen to be in some kind of stigmatised property. They do not care who owns the bricks and mortar; they want a decent home that would not look out of place on a private estate, and why shouldn't they? It is the job of the planning authorities to ensure that we get good developments.

As part of meeting that unmet demand, we need more socially rented housing—yes, many thousands more properties. The two councils in my constituency and their partners need to go away and identify possible sites and ensure that they are brought forward for development as soon as possible. That in itself is going to be difficult. Both Stockport and Tameside are pretty high-density boroughs already, and most of the available space is now developed. There may be scope for some infill. I can think of areas such as the ex-Manchester overspill estate in Haughton Green and at Denton's Yew Tree estate where the housing was laid out among some very generous open space provision. There are some significant brownfield sites dotted around both boroughs, which could be brought forward for housing rather than for other uses.

We also need to look at the problem across the Greater Manchester city region, not just within the constraints of those two boroughs. Yes, Tameside and Stockport must do their bit, but that has to be within the bigger Greater Manchester-wide picture, too. As part of that city region overview, I believe that we also need to be much more imaginative about housing types. I do not want to see a return to monolithic housing estates and the planning mistakes of the 1960s and 1970s, where certainly the numbers of housing units that we would like to see were constructed, but with little thought for human needs. Let us be clear that not everyone will want to rent, so we need to look into shared equity and, for many, we need to explore some new low mortgage options.

The Government may not be able to deal with all those points as part of the Bill, although I hope they can look at the scope for extending regulation in Committee. If not, I urge them to use whatever means they have at their disposal to ensure that all private landlords, not just those in areas experiencing housing market failure, are licensed and that the decent homes standard is made to apply to all housing for rent, whether it be in the social sector or, most important of all, in the private sector.

As I said at the start, I broadly welcome the Bill, which has many excellent provisions. The decision to create a Homes and Community Agency is, I think, right. It should ensure not just that the investment is in place to build new houses, but that sufficient land is identified and planning hurdles are easily overcome. The decision to create an Office for Tenants and Social Landlords is also a good move. It should strengthen the regulatory regime and empower tenants in the social rented sector. It should not just apply across the social sector—including ALMOs and councils—but should cover all tenants and all landlords for the reasons I have stated, including the many thousands of my constituents in the private rented sector.

I hope that these issues will be taken up in more detail by the Minister in Committee. This is a good Bill with good intentions. With a small amount of tweaking, it has the making of a great Bill with great intentions.

8.42 pm

Margaret Moran (Luton, South) (Lab): I, too, believe that this Bill gives us cause for great optimism, notwithstanding the depression that often surrounds the debate because of the circumstances in which our constituents find themselves. I have to say that my optimism was tempered by depression when I heard the opening speech from the Opposition Front Bench. The hon. Member for Welwyn Hatfield (Grant Shapps) claimed that we had refused to learn the lessons of past mistakes. May I say that that is exactly what the Opposition have done? I fail to see how they cannot understand that tackling housing need, particularly

[Margaret Moran]

that for affordable rented homes, helps to stabilise the housing market, which is good for the stability of the overall economy.

I had one of those time-warp moments when I was taken back to the real world in which I used to exist before coming into this place. I was chief executive of a small housing association, as we were then called, and I well remember how over-regulated we were. I had to keep filling in five or six of the same forms, giving the same information when I wanted and needed to be out doing deals with private finance institutions to enable me to develop more homes for those in housing need.

I am pleased to say that this Bill introduces more streamlining of regulation for registered social landlords, which means better value for the housing market, better value for RSLs and, more important, better value for those who need housing, which we should be able to support. I thought that Opposition Members welcomed more streamlined regulation and the added value that it can bring, but we hear one argument today and another tomorrow.

I find myself in a time warp, back in the days when I was chair of my housing committee and, latterly, leader of Lewisham council. I well remember the then Tory Government's ideological opposition to the building of any affordable housing for rent, be it local authority or housing association accommodation. I remember the limbo dancing that we had to perform, and the funny-money deals in which we had to engage to secure foreign investment that would enable us to build or renovate housing in Lewisham. I remember, when I led on housing in the Association of Metropolitan Authorities, discussing these issues with Opposition Members—many of whom, sadly, have now left the Chamber—and pleading with them to allow local authorities to invest in not only the provision of desperately needed new homes, but the renovation of properties that remained empty because of their state of disrepair.

We saw record levels of homelessness. We saw Conservative Ministers walk over the homeless on their way to the opera, and we saw a record number of repossessions because of high interest rates. My constituency of Luton became known as the mortgage misery capital of the country. When I moved to the constituency, I saw house after house that I could not bring myself to buy because the families had fled leaving all their possessions, including the children's toys, and had thrown the keys back through the letter box because of the legacy of the Conservative Government. There was also a huge backlog of council stock repairs, in which, to their credit, this Government have invested massively as part of the decent homes strategy.

Let us be under no illusion: we are still experiencing the legacy of the Conservative Government. It is not possible to switch housing construction on and off like a tap. The skills and the materials must be there, and all the pieces must be in place. Sadly, Opposition Members do not seem to realise that, but I am pleased to be part of a Government who do. *[Interruption.]* Rather than heckling from the Opposition Front Bench, the hon. Member for Lichfield (Michael Fabricant) would do well to listen and learn. We must be able to put all the mechanisms in place before we can deliver our programme of social and rented affordable housing.

Alistair Burt: I am stunned by just how long the lead-in period has to be for a Government to deal with the succession of housing problems about which we have heard from the hon. Lady and her colleagues. How about 10 years? Does the hon. Lady not think that her party could have got somewhere in the past 10 years without waiting until now?

Margaret Moran: I am pleased to say that this Government have got somewhere in the past 10 years. They have addressed the legacy of disrepair in the council housing stock; they have virtually eliminated street homelessness; they have done magnificent things in reducing the number of people in temporary and bed-and-breakfast accommodation; and, as most registered social landlords will confirm, they have done a great deal to increase the level of investment enabling RSLs to provide affordable housing. This Bill represents the next step forward.

Opposition Members are clearly in denial about the reality of the legacy for people in my constituency. Like others who have spoken, I regularly see families of six or even eight living in two-bedroom accommodation, and the tragedy of children who have nowhere to live but the streets. Is it any wonder that young men and women—teenagers—are out on our streets, with all the consequences that that brings, when they simply do not have room in their homes in which to live and when families in our constituencies have responsibility for disabled and elderly people as well as young children for whom they simply do not have room? I have a young constituency; it has a high number of families who have very young children. The legacy for them is that they have no hope in the immediate future of a decent home. Their only hope is afforded by the Bill.

Luton is a densely populated area and it is green girdled—it does not have room to expand. To the credit of my newly elected Labour council, as opposed to the former Liberal Democrat council, which did absolutely zip about any of these issues, it is examining all those infill, brownfield sites, but that simply is not enough. Others have made this point, but when I see in my constituency, day after day, week after week, a trail of people for whom I can give no hope, I have to be able to say that our Government are putting the pieces in place to give such people—if not immediately, at least in the medium term—some hope of a home. They do not have that at the moment, because they will languish on the housing list for ever in the current circumstances, even if they fall in the most urgent priority group.

Lynne Jones (Birmingham, Selly Oak) (Lab): I empathise with the concern that my hon. Friend has raised, as many hon. Members would because of the people who come to see us in our surgeries with such sad tales. Does she share my concern that even the Government's target of building 45,000 social homes in three years' time is completely inadequate? A comparison should be made with the period when John Major was Prime Minister, because in one of those years 52,000 homes were built. We are still not reaching the level of social housing building that was taking place then.

Margaret Moran: I am sure that our aspiration for all our constituents is more affordable rented housing, but we must start from where we are. A target of 3 million new homes by 2020 is an honourable aspiration, and we will all press for more beyond that.

The only hope for my constituents is the fact that we are part of the Milton Keynes and south midlands growth area. We desperately need the enabling activities outlined in the Bill and the new body being proposed via the merger of the Housing Corporation and English Partnerships. We do not have a growth area delivery vehicle; we have a collection of local authorities, most of which are Tory-led and most of which spend most, if not all, their time arguing against the building of any new homes. Although my constituents in Luton languish in overcrowded housing, they have the luxury of arguing, as they have managed to do for a long period—

Andrew Gwynne: Is that not precisely why it is crucial that we have in place the new Homes and Communities Agency, so that we can cut through some of the bureaucracy that stands in the way of necessary housing developments taking place in communities such as my hon. Friend's and mine?

Margaret Moran: My hon. Friend has most articulately demonstrated my point: we cannot afford to have Tory-run councils deciding that they will allow people in my constituency to languish in poor and overcrowded housing for eternity. This Bill gives us the opportunity to deal not only with bricks and mortar and the numbers of new homes that are needed, but with the associated infrastructure that is needed.

I shall make a small plea about a local issue. May we please have junction 11A of the M1 widened soon? That would enable us not only to develop the growth area rapidly, but to facilitate the relocation of my football club and, by so doing, free up a seriously important piece of land in the centre of town, which would be designated for social housing. The Minister would earn so many brownie points if he were to work with Ministers in other Departments, such as the Department for Transport, to enable that to happen.

Other issues in the Bill require closer examination. I welcome the new powers for Oftenant—what a dreadful name. As a former insider—as a chief executive of an RSL—I know that too many RSLs are unresponsive to tenants' needs, despite dire conditions on some estates. My constituents in Brook street, including large Bangladeshi families and women on their own, faced conditions including no lighting, no security, and dumped and burned-out cars, but there was no response from the RSL. I had to drag the chief executive of a national RSL to my constituency to get any response. Areas such as Tinsley close have several different RSLs managing property on a small estate, none of which will take responsibility. I welcome the measures in the Bill that will help to address that.

We need more imaginative solutions than just the bricks and mortar. I welcome the emphasis in the Bill on the need for social and economic regeneration, because that has to underpin our plans. We need to consider community land trusts, which will enable us to retain houses in perpetuity. The community gateway model is about to be implemented on the Downham estate in Lewisham, where I used to live, and it will empower tenants to manage and run their own areas. We have to be open to such innovations if we are to make a substantial difference.

We also need to ensure that we embrace the regulation of the private rented sector, as well as the public rented sector, to ensure decent standards. In my constituency, the poorest in the community live in the poorest accommodation in the private rented sector. We also need to prevent sales by RSLs, otherwise we will develop properties only to lose them. Finally, I agree with those who propose that we examine the buy-to-leave—not the buy-to-let—that is happening in many areas.

8.57 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I welcome the Bill. The Chair of the Select Committee—it seems a long time ago now—noted the breadth of support for it, ranging from the Tory-controlled Local Government Association, the National Housing Federation and Shelter to even the Royal Institution of Chartered Surveyors, which is more used to suing the Government than complimenting them at the moment. That makes one wonder who are the enemies of an increased housing supply and, in particular, social and affordable housing. We have had the answer today from the Opposition Front Bencher, the hon. Member for Welwyn Hatfield (Grant Shapps), and Back Benchers, not to mention in recent times the Tory mayoral candidate, the hon. Member for Henley (Mr. Johnson), and some Tory local authorities.

The schoolboy trivia of the opening speech by the hon. Member for Welwyn Hatfield and his refusal, six times, to answer the questions about the Conservatives' policy on the construction of new social housing units said it all. But we were then treated to the unedifying spectacle of the only three Tory Members who turned up suggesting that sorting out voids and speeding up re-letting were the answers. Those matters need to be taken in hand, but it is ludicrous to suggest that they constitute a housing policy. The nadir was reached with a speech about how the Bill would put allotments and village commons at risk. If that is what we can expect in Committee, we have a rather unedifying few weeks ahead of us.

Margaret Moran: The headline in the august journal *Inside Housing* is "Homelessness High on Tories' Housing Agenda". Does my hon. Friend agree that that might have given us a spark of optimism if the article itself made any mention of new homes or targets? It is not good enough for the Opposition to will the ends but not the means when it comes to tackling homelessness.

Mr. Slaughter: My hon. Friend is right that the Opposition have offered only the most trivial spin imaginable. They never follow through on what they say so exuberantly to housing charities and the media.

Part 1 of the Bill deals with the Homes and Communities Agency. I hope that the agency takes a robust line, and that the Government do not underestimate the scale of the task facing it. Various hon. Members have spoken eloquently about the problems in their constituencies, but I want to make a special plea for London—something that I know always goes down well with my friends in the north.

[Mr. Slaughter]

This country has 93,000 households in temporary accommodation, but two thirds of them are in London. We have heard that the average price for a property in some parts of the country is £140,000, but the average in my constituency is something over £400,000. There are some 24,000 people on the housing waiting lists in the two boroughs that my constituency covers, and about 4,000 people live in temporary accommodation.

The figures are worse than they sound. In Hammersmith and Fulham borough, there are more than 8,000 families on the housing waiting list, but the very deceptive banding systems that are used mean that only the 5 or 10 per cent. of people in the top two bands have any hope or prospect of being rehoused. In addition, overcrowding is a huge problem in the private rented sector but also, and especially, in social housing. That was never the case before, and Shelter estimates that black and minority ethnic families are seven times more likely to suffer overcrowding than white families.

Those are some of the bare facts, and I am sure that my hon. Friend the Minister is aware of them. How are Conservative local authorities responding? Hammersmith and Fulham council in my constituency has reduced the target percentage for affordable housing from 65 to 40 per cent. It has tried to reduce the amount of social housing in the borough, and the leader of the Tory council has said that

"we must stop our borough becoming a ghetto for the urban poor".

The council's policy is to cut the target for the construction of social rented housing by more than half, even though its own housing strategy says that it needs to build 4,390 additional social rented homes.

Most extraordinary of all is Hammersmith and Fulham council's decision to switch existing designated affordable housing units for which permission has been granted and which have been built to something called "discounted sale". That may be a new concept to this House, but I shall give one example involving the well known Imperial wharf site, which is on the riverside in Fulham. On 30 October last, the Tory-controlled planning committee agreed to switch 191 social rented units and 50 shared-ownership units to discount sale. That means that, for almost 90 per cent. of the units, buyers will need an annual income of more than £50,000, while buyers of the other 10 per cent. will need an income of more than £35,000. As a final blow, the subsidy will come from the housing revenue account, which means that council tenants will pay the subsidy for people earning more than £35,000. In my constituency, 50 per cent. of households have incomes below £20,000. Only 20 per cent. of households are in the above £50,000 category and by definition they are the least in need. If Tory affordable housing policy is to cater only for people in the £50,000 to £60,000 bracket, we are living in deeply cynical times.

The main defender of affordable housing in London is the Mayor of London. My hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) has already made this point, but it is worth repeating: there is provision in the Greater London Authority Act 2007 that the Housing Corporation should have regard to the Mayor's housing strategy. There should be a similar provision in the Bill and for the London plan.

I say that because I feel certain that the current Mayor will be re-elected next May; otherwise I should not be making the argument so strongly. Last week, I had the misfortunate to read a speech, headlined "Boris Johnson sets out his housing vision for London", which contained the following gems: we should not be

"getting too hung up on percentages of affordable accommodation...There isn't a dwelling in London that is intrinsically affordable or unaffordable, from the smallest flat in Lewisham to the biggest wedding-cake schloss in Kensington...I would like to concentrate on helping people on low incomes to live in London in beautiful homes of all kinds; and of all prices...Most people would like to live in either a village house or a bungalow."

Such words are extremely comforting to my Shepherd's Bush constituents, as perhaps is the final gem:

"The instinct for differentiation that is deep in the human soul and which explains why so many council house dwellers used to invest in gnomes."

That is the view of the Conservative party's candidate for the mayoralty of London—as unfunny as it is patronising. The prospects for my constituents fill me with dread, especially those in housing need.

Part 2 deals with regulation. The National Housing Federation and some Members have said that the requirements on RSLs are onerous. I beg to disagree. There are some good RSLs and some adequate ones, some of whom operate in my constituency. They are usually the ones who pay most attention to tenants and whose boards have the most tenant participation. For the past five years, until recently, the management committee of Shepherd's Bush housing association was chaired by Ron Lawrence—a tenant and a superb advocate of social housing, whom I hope to see next week when he collects his MBE from the palace. However, that association is the exception that proves the rule.

My general experience of RSLs is that they give tenants an indifferent, sometimes poor, service, and are unaccountable to their tenants. Notting Hill housing trust, for example, appears to have completely forgotten its rental tenants in the push for home ownership. The Peabody trust is busy selling off 10 per cent. of its stock at market values, while Genesis, William Sutton and Catalyst are rolling over before the demands of Tory councils intent on minimising the amount of social housing. Such RSLs need to remember why they were set up and what their purpose is, and if they are not prepared to act voluntarily, mainly through their tenants, I hope the regulation provided in the Bill will ensure that they do so.

I welcome clauses 257 to 259 on tenant empowerment. I am pleased to be a member of the all-party group on housing co-operatives and community controlled housing, ably chaired by my hon. Friend the Member for Stroud (Mr. Drew). I am also pleased that several of the large estates in my constituency, including South Acton and, I hope, Acton Vale, will pursue tenant management. That is in part because of Ealing council's appalling management of their housing stock, but it is also a positive move, which should be encouraged.

I agree with the Local Government Association on two points. First, it is important that resources are given to support tenants in what is a difficult process,

and often against the hostility of local authorities. Secondly, there is no reason why RSLs should not also be subject to tenant management.

My hon. Friend the Member for Cardiff, North (Julie Morgan) has ably covered my final point on clause 272, so I will not go into it in detail. The clause extends the same rights to Gypsies and Travellers as are already extended to other occupants of mobile homes. It follows the decision in Connors *v.* the United Kingdom and my hon. Friend's Bill, the Caravan Sites (Security of Tenure) Bill, which I was pleased to support last year. A bit of prompting has been needed, but nevertheless I compliment the Minister on bringing the measure forward. It is an essential addition.

There is, of course, also a wish list, which Shelter has provided as it always does on these occasions, on overcrowding, on ground 8 of schedule 2 to the Housing Act 1988 and on improving the private rented sector, and I hope that that goes forward.

Let me conclude by addressing the security of tenure point. I hope that there is no threat to security of tenure from the Government. I do not believe that there is, and I ask the Minister to confirm that. I know, however, that there is such a threat from the Conservative party, which said in its policy review of this summer:

"Living in social housing should be viewed as a transition during which support is temporarily required".

That is completely beyond the pale. As security is being extended in the Bill, it is ironic that the Opposition should be seeking to take it away, and I will ensure that my constituents know that.

9.11 pm

John McDonnell (Hayes and Harlington) (Lab): I welcome the Bill, not for its contents, but for the opportunity it gives us to explain the housing crisis that many Members' constituencies face. If what I have to say becomes repetitive, I beg no forgiveness for that, as the seriousness of the problems we face bear repetition.

My weekly surgeries are similar to those of virtually every other London Member—and, from what I have heard, similar to those held by Members from across the country as well. At least half of my surgery cases are to do with housing, and I could weep at the circumstances that people come to me about. Families are living in temporary accommodation often for up to a decade. They are churned around every 12 to 18 months, or the maximum of two years, living in temporary accommodation with licences or in lets that last no longer. They live in appalling, overcrowded conditions, the like of which in my area might not have been seen since the end of the second world war.

In my community, no council housing has been built, perhaps over the entire past two decades. Social landlords—housing associations—have come in, and there are some good ones in my constituency which I have tried to work with, but I must say that some of them are as unresponsive as any bureaucracy or private landlord.

Only an extremely limited amount of social housing has been built, so my constituents live in appalling conditions. We have seen the return of Rachmanite landlords who buy property after property. They milk the housing benefit system, and they plough nothing back into those properties. I fear for the health and safety of my constituents who live in such accommodation. At best, their children settle in appalling and overcrowded conditions, but as the churning continues, they move from school to school, which affects their education and their social life. Over the past couple of weeks in my constituency we have been exposing the fact that private landlords—the buy-to-let exploiters of the poorest within our society—are now housing people in outbuildings and sheds. That is how bad things have got in my constituency.

In my area, we went through a process whereby after three ballots—because, obviously, the tenants did not vote the correct way the first two times—an arm's length management organisation was established. During that balloting process, tens of thousands of pounds were spent on consultants, who came along to meetings. Many of my constituents have never eaten so well as they did at those various meetings held to persuade them that this was the way forward for them.

But the blackmail was there: people either voted for the ALMO, or they did not have their home improved. Eventually, they succumbed and transferred to the ALMO. I am extremely concerned about its management. We have had a number of examples of poor workmanship during the implementation of the decent homes programme in my area. I know of cases in which tenants have been injured as a result of the work that has gone on, following the resources that have been ploughed into the ALMO for the decent homes programme.

With the end of the council house building programme and with insufficient social housing being brought forward, we have a homelessness problem of the sort that I have never seen in the 30 years I have lived in the area. I was elected in 1997 and we had 40,000 homeless families in London. We now have twice that number. In my borough, between 1,600 and 2,000 families are homeless and desperately in need of accommodation. The explanation is quite straightforward: we are simply not building homes anymore. To be frank, in my area, the amount of accommodation that has been built as a result of planning agreements is relatively trivial in comparison with what we need. The Bill goes nowhere near tackling the problems in my area.

First, I find it offensive that there is empty accommodation in my area when people are living in such appalling conditions—some of them sleeping on the streets. I would like, if necessary, to look at the emergency measure of compulsorily purchasing private accommodation that has been left empty. Let us commandeer some of that accommodation, because we face a crisis on a scale that we have not seen since the second world war.

Secondly, we should end the tax regime that encourages people to purchase buy-to-let accommodation, which forces families in my constituency to live in these conditions. If there is to be private landlordism, we should regulate it properly. In my constituency, even houses in multiple occupation are not properly inspected because the local authority does not have the resources. We have had fires and there has been a high level of risk to families. If we do not ensure that there is proper inspection and enforcement, we will risk more tragedies.

[John McDonnell]

At the end of the day, the solution is straightforward. It is not a new invention: it is called the council house. We need an emergency programme of building of the kind we have not seen for perhaps a generation. I do not see that happening as a result of the Bill. As my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) said, the projected numbers for social housing and council housing in particular are trivial in comparison with the need. Introducing a means-test approach will break down what little we have left when it comes to communities that live together as equally as they can.

Not to allow councils access to the funding that they need to launch the programme is disgraceful and misguided. It is something that is lacking in the Bill. I do not understand why we are offering private companies, instead of local authorities, the opportunity to access public money. I thought that it was in the old days that people believed, "Private sector, good; public sector, bad." I thought that we were going to get a level playing field as a result of the Labour party conference decisions and some of the commitments that were given by the Prime Minister when he took over the leadership of the Labour party.

I will look at the Bill, but I will encourage a number of my colleagues to think about the amendments that we can bring forward to tackle the Rachmanite landlords of the buy-to-let regimes, and to enable local authorities to build council houses again and have access to resources in the same way as housing associations have access to them. We need to look at other emergency measures. It does not give me any pleasure to say this, but we have had 10 years of a Labour Government. It should not be like this after 10 years of a Labour Government. We have let down a generation of children, who, in my constituency, are living in quite dreadful conditions.

Lynne Jones: My hon. Friend may well be accused of advocating a vast increase in public expenditure, but does he share my concern that the failure to invest in bricks and mortar—in building new council homes—means that we spend far more, in revenue terms, on propping up the private sector? Councils have to put families in private accommodation, and housing benefit is used to pay extortionate amounts in rent—often, in my constituency, for houses that used to be council houses.

John McDonnell: A number of hon. Members have mentioned the housing benefit that is being poured into the pockets of private landlords. Most of us recoil in horror at that obscenity. It is not as though we are getting value for money, either through the quality of the premises being offered, or through increasing capacity to cope with the need. As we have argued time and again, allowing local authorities equal access to public funds to enable them to start building council housing once again is a cost-effective way of tackling the problem. I cannot emphasise enough how critical the problem is. Every Labour Member who has spoken has explained what is happening in their constituency. We need emergency measures immediately to tackle the issue.

The problem is breaking down our local communities. My hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) talked about the cost of housing in his constituency. The situation is the same right across London and the south-east. I do not know many public servants who can afford to live in my constituency. Only one firefighter at the Hayes station now lives in Hayes. The rest of them commute 150 or 200 miles, from the south-west and elsewhere, because that is the only place where they can find a roof over their heads. They leave their family living in the constituency, so as people get older, the family support structures break down. The cost of caring for elderly relatives then falls on the local authority, because families are not there to support them in the way that they were in the past. The community is degenerating in front of our eyes, and people live in appalling conditions, while others make vast profits.

I look forward to debating the Bill in Committee, and to Report. A number of us will move amendments proposing a realistic programme for new build, for tackling buy-to-lets, for enforcing decent standards in the private sector, for making housing associations accountable again, and for creating a level playing field for access to resources. In five or 10 years, I hope that I am not—or my successor is not—experiencing the same weekly nightmare of sitting through a surgery attended by children and families who live in desperate conditions, with parents weeping in front of me, begging me to intervene to try to get them a roof over their heads, when I know that I cannot do anything about it, because the housing supply is not there.

9.23 pm

Alistair Burt (North-East Bedfordshire) (Con): I thank the hon. Member for Hayes and Harlington (John McDonnell), who has finally put us in a position to wind up the debate after six hours.

None of us comes to the issue with clean hands. We have listened to stories from colleagues on both sides of the House, and we have heard about what they see in their surgeries. We Opposition Members are no different from Labour Members. The fact that people face the housing conditions that they do in this country today should be a matter of disappointment and sadness to all of us. That is why we are offering a reasoned amendment to the Bill. I will come to that in more detail later.

It has been a good debate, and perhaps it had a better edge than it might have done because the Opposition had the temerity to question the policy proposed by a Government who, judging by many of the speeches that we have heard tonight, have comprehensively failed in their duties on housing and regeneration. I will tackle that point head-on in due course. Neither we nor the country are willing to be taken in any longer by a Government who wish us to believe that, just because they talk about better housing and more regeneration, it means that they will deliver it.

I welcome the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright) to his place. He has made an excellent start to his role by offering some changes for coastal towns. The cross-departmental working that he has announced or intends to announce will be of considerable benefit to those towns, a number of which have some of the housing problems familiar to those who have spoken in the debate. I look forward to the hon. Gentleman's winding-up speech.

I thank my hon. Friend the Member for Welwyn Hatfield (Grant Shapps) for his robust attack on the Government and the failings of their policy, which became clear during the debate. He was prepared to challenge some of the myths of Labour competence in an area that they consider to be theirs. He was right to do so, and I look forward to many more speeches from him on Second Reading, but few from the Opposition Benches and more from the Government Benches in due course.

Mr. Love: Immediately after his speech rejecting the Mayor of London's 50 per cent. target, the hon. Member for Henley (Mr. Johnson) was interviewed on television. When he was asked whether he thought targets were a good thing, he said yes. The second question was, "What is your target?" He would not answer it. The hon. Member for Welwyn Hatfield (Grant Shapps) would not answer it either. Can the hon. Member for North-East Bedfordshire (Alistair Burt) answer the question?

Alistair Burt: Let me deal with targets up front. Conservatives without targets built more houses than Labour with targets. Labour set targets, in respect of which it continues to disappoint. There is no evidence that targets deliver. They have been the fig leaf which Labour Members have used today to cover their embarrassment at their failure. I know what my constituents who are looking for houses would like. They would like the houses that would be built under a Conservative Government and they would like a stamp duty policy that would help them get some of them. That is it for the discussion of targets.

Under Labour—*[interruption.]* The hon. Member for Luton, South (Margaret Moran) should listen. Her speech of denial was a classic of its kind. Under Labour, as she was reminded, an average of 145,290 homes a year have been built. In the last 10 years of the previous Conservative Government, the average was 164,000 a year. Across the whole period of the Governments of Mrs. Thatcher and John Major, the average was 173,000 a year. As my hon. Friend the Member for Welwyn Hatfield said in his speech, people do not live in targets; they live in houses. If targets are of no consequence to Labour because it cannot meet them, what is the point? I would rather we went back to a more sensible approach. My hon. Friend the Member for Basingstoke (Mrs. Miller) defined a target as what those in her local community believed to be the right number for them. They had one, they built to it and it was right. The Government came along and imposed something on top which cannot be delivered. That is why it is nonsensical for Labour to advocate targets.

The Minister for Housing was generous in taking interventions during her contribution and made a robust defence of her policy. I appreciate what she said, although her defence of policy which is failing was admirable but wrong.

The hon. Member for Chesterfield (Paul Holmes) made two key points. He took on the central argument about why houses were not being built, and explained that it was a problem of the centre trying to take more and more powers and of no incentives for local authorities to build houses. He is right. He also noted that the attempt in the Bill to give councils the chance to build more houses was a chimera, because the money will not be made available. The hon. Gentleman spoiled it all at the end. Having described his objection to Government policy, he explained why he would not support our amendment, which was a shame.

Let us get to the heart of the argument. We intend to work through the Committee and hope that we can produce a better Bill by the end of it. At the end of that process we will judge how we will vote on Third Reading. At this stage, as our reasoned amendment makes clear, we believe that the evidence of delivery under the Government's fixation with control and top-down, unaccountable regional bodies is not good enough. It does not deliver the housing that all our constituents want, and virtually every Member seems to agree with that. The new merged agency will not deliver on its own, and the new social regulator will not deliver on its own. Those bodies will be assisted by the acquisition of new powers. That will give them greater powers at the expense of local decision making by democratic bodies, which is an answer that so many hon. Members have missed or simply swept aside.

The hon. Member for Milton Keynes, South-West (Dr. Starkey) was angry and testy, but she made some good points. She mentioned the targets in her area and said that she does not think that they can be met. In all fairness, if she does not think that they can be met, what is the point? She also said that she has read the Bill carefully and wants to make sure that it includes a duty for the new agency to consult on planning, because she fears that it might be too aggressive in its controls.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) spoke with the knowledge gained from his previous experience and made a number of suggestions for when the Bill is in Committee.

My right hon. Friend the Member for North-West Hampshire (Sir George Young) made an excellent speech with the benefit of his long experience. He discussed amending the Bill to introduce a national mobility scheme, which makes a great deal of sense. He also discussed the danger of the new agency acquiring too many powers, in which he was not alone. In a number of interventions on his colleagues, the hon. Member for North-West Leicestershire (David Taylor) drew attention to what he sees as the agency taking more powers away from councils, and he is right about that.

The *Local Government Chronicle* headline for 22 November stated "Planning grab fears. Housing quango may silence councils on new towns". That headline could have been written by my hon. Friend the Member for Welwyn Hatfield—that is his sort of language. The editorial stated:

"Clearly, the government's housing targets are too precious to leave solely to local government. Housing Minister Iain Wright"—

who is on the Government Front Bench—

"is explicit on our front page this week, when he says that the agency is there to 'challenge' authorities that drag their heels over housing quotas. While this is an attempt to mitigate some of the NIMBYism that blights housing supply, it also takes some of the local out of local government. One of the crucial components of councils' ability to 'place-shape' is planning, and if they can be steamrollered over where housing and eco-towns are located, their role as local community leaders is significantly undermined.

[Alistair Burt]

We need urgent clarifications on just how these planning powers will be used, or else we could find the Bill takes us two steps forward, one big leap back."

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Will the hon. Gentleman give way?

Alistair Burt: The Minister has his time coming up, but I will give way.

Mr. Wright: Will the hon. Gentleman comment on the comments that I made to *Inside Housing*, which appeared on last week's front page, where I said that the Bill is

"enabling legislation, rather than dictating legislation"?

Alistair Burt: I accept entirely what the Minister has said. It would be helpful to clarify that point in Committee, because there is a fear that when this Government enable, it is terribly tempting to use the powers that they acquire through their quangos or the centre. The *Local Government Chronicle* is not alone in expressing concern about how those powers will be used. We would certainly appreciate a clarification, and several cities have the same concerns. The right hon. Member for Oldham, West and Royton (Mr. Meacher) was concerned about the acquisition of powers, too, and the last time that I looked he was not a Tory.

The hon. Member for Islington, North (Jeremy Corbyn) graphically described the social side of poor housing. He and I have known each other for a long time, and his stance on the issues and his commitment to people has never varied in my experience—he spoke movingly. He also opened up a discussion about the place of owner-occupation in our society and whether we have reached an absolute limit. The right hon. Member for Leeds, West (John Battle) and the hon. Members for Bolton, South-East (Dr. Iddon) and for Great Grimsby (Mr. Mitchell) joined in that discussion, which concerned a difficult question in our society.

People aspire to home ownership, which we want to encourage because it is associated with many good things. I did not go all the way with the hon. Member for Wolverhampton, North-East (Mr. Purchase), who discussed choice as a zero-sum game—I do not think that it holds that my choice of a house means that somebody is somehow denied one. At some stage our society must confront the question of where renting fits into it. On the continent it is much more acceptable to rent for a long period in any social circumstance.

Lynne Jones: The hon. Gentleman talks about "aspiring" to home ownership as if it is somehow a more worthy to be a homeowner than a tenant.

Alistair Burt: I understand the hon. Lady's interpretation of the word, but that is not what I meant. People feel that they want to own their own home because of what it means in terms of the accumulation of wealth, pension security and so on. If that is an aspiration, that is fine.

Lynne Jones: Will the hon. Gentleman give way?

Alistair Burt: No, because of the shortage of time. I am opening up the debate about the relative places of renting and owner-occupation in our society. I would have thought that Labour Members would find that helpful; that was the reason for doing it.

My hon. Friend the Member for St. Albans (Anne Main) correctly expressed her concern about the powers of the new agency and raised, as did my hon. Friend the Member for Basingstoke, the issue of infrastructure. We heard little from Labour Members about the need to get the infrastructure in place before the building occurs. Many of them complained about the numbers of houses not built, as do the Government, without thinking through why there is such resistance in some local communities to the housing numbers that are set. That is because communities do not feel that they have the resources to service the houses that they have been asked to take. The Government place no emphasis on dealing with that infrastructure problem or offering incentives; that is why the great monolith rolls on.

Recent reports on how the Government have handled their policy all say the same: they are not doing very well. I could quote extensively from the two recent reports on pathfinders and the Thames Gateway, but to put it in a nutshell they are, as the Minister for Housing knows very well, highly critical—*[Interruption.]* Oh, all right, they are not highly critical. Let me kick off with the first conclusion of the Public Accounts Committee on the Thames Gateway:

"The Department's management of the programme has been weak, and has not demonstrably added value to the programme."

The report on pathfinders said:

"there is no guarantee that intervening in the housing market in this way will address the causes rather than the symptoms of the problems experienced in these neighbourhoods"—

not much return on £2.2 billion in five years.

With the best interpretation in the world, those reports are pretty critical. They point to the Government's approach, not necessarily their intention or desires. The hon. Member for Luton, South spoke of good intent, and she is right, but the delivery has not been as good as it should be. As the hon. Member for Hayes and Harlington said, that has been a disappointment and a let-down to all the people who thought that 10 years of a Labour Government might deliver a bit more than good intent.

Bob Russell: You must be joking.

Alistair Burt: Well, I joke from time to time. We might all have been fooled in 1997, but not any longer.

Mr. Andrew Robathan (Blaby) (Con): Ten wasted years.

Alistair Burt: Ten wasted years, as my hon. Friend says—I wonder how long it will be before that phrase crops up.

Let me raise two final points. First, several outside organisations are expressing concern about design and quality. In the great desire to build more houses, which we want to do, there is a danger that design will be squeezed out and we will not get the quality that we need. That would be a tragedy. Several hon. Members spoke about density. We can have high density and still

have good-quality accommodation. Terry Farrell is very good on this subject, and the injunctions of the Commission for Architecture and the Built Environment—I think that something is coming out tomorrow—should be carefully listened to.

Secondly, I wish the new agency well—I hope that it gets everything right during its merger—but it must not concentrate solely on house building at the expense of regeneration. I put in a personal plea: it must recognise that there are other forms of regeneration besides the physical, such as the human and spiritual. Some of my colleagues spoke about the sheer misery of people trapped in poverty and deprivation. They need more than just a nicely built environment. They need time devoted to dealing with addictions, and to dealing with relationship breakdown, the aspirations of their children, and children who are carers. That is part of regeneration, and I hope that we will not miss that out.

At the end of the debate, we are left with what we share, and with what divides the House. As the party that under Michael Heseltine began the modern regeneration of our cities and urban areas—a start built on by this Government, and when we look at the city centres of Manchester and Birmingham, we can see that—we share a deep concern for the areas of deprivation in our society. They are places of unfulfilled lives and poor aspiration, which are blighted too often by physical environments that hinder those seeking a better life rather than help them. We share a sense that the work to relieve such problems will not be quick, or cheap, but we know that we cannot leave such areas alone, or neglect the physical and human problems that lie within them.

We share the view that more houses need be built, but we differ on how to go about that. We cited example after example of how money could be used better; of unnecessary waste; of targets cited and not met—the next one is always coming along, and of course it will be met, even though there has been no change in the process—of what is too often a top-down approach with a lack of communication with those affected; of a regionalist approach when a local one would be better; and of a bureaucratic and unaccountable style when a democratic answer is the right one. We ask why the Government persist with a one-club approach—the long ball down the middle to the inevitable end. Regeneration and housing in this country deserve better. The people affected in poor areas deserve better. The Bill could have been so much better, but the chance has been missed. Above all, the country deserves the future, rather than the past, and I shall ask the House to support our amendment, which offers just that.

9.42 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I thank the hon. Member for North-East Bedfordshire (Alistair Burt) for the kind words at the beginning of his speech. He is a decent and honourable man, fine in his moderate terms—in contrast with the rest of his Front Bench team.

The Housing and Regeneration Bill is wide ranging and ambitious, yet detailed and technical, and today's debate has reflected that. It is a huge Bill of 280 clauses and 10 schedules, and right hon. and hon. Members have stepped up to the plate today to express their views—often very different views. We have had 25 speeches and a great number of interventions. I would like to thank my 16 right hon. and hon. Friends for standing up firmly for their constituencies and their principles. I was going to pay tribute to hon. Members from all parties, but with the greatest respect to the three Conservative Back Benchers who actually bothered to make a speech, I have to say that the length and quality of this fine debate has been largely down to Labour Members.

To be frank, I was expecting a bit of a cut-and-thrust debate. I was expecting people to say, "I don't think we need houses in my back yard. We don't have the infrastructure." But Conservative Members did not even bother turning up to the game. For most of the afternoon, there was no one on the Tory Back Benches at all, and I hope that their constituents recognise that.

I turn to the opening remarks by the hon. Member for Welwyn Hatfield (Grant Shapps). I found his contribution quite astonishing, but not in a positive way. He criticised the creation of an independent, stand-alone regulator for social housing tenants. He hinted that he and his party would actually abolish Oftenant. I am sure that the millions of people in social housing who deserve higher standards in core housing services would be surprised at that. Oftenant will be a modern, effective and responsive regulator, cutting red tape for good landlords whose tenants are satisfied, but intervening and securing improvements elsewhere—even bringing about changes in management—with new powers to issue enforcement notices and penalties. My hon. Friends, especially my hon. Friends the Members for Luton, South (Margaret Moran), for Denton and Reddish (Andrew Gwynne), for West Ham (Lyn Brown), for Milton Keynes, South-West (Dr. Starkey), for Islington, North (Jeremy Corbyn) and for Islington, South and Finsbury (Emily Thornberry) and my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), recognised all that, but the hon. Member for Welwyn Hatfield did not even know that the sector is already regulated by the Housing Corporation. That shows the extent of his concern for the services provided for tenants.

I thank my hon. Friends, especially my hon. Friends the Members for Islington, South and Finsbury and for West Ham, for raising the point about the new regulator providing redress for constituents who have had problems with their RSL. Our proposals respond directly to tenants' concerns that they are not listened to about the issues that matter to them—a good basic housing service and having their complaints acted upon. Getting that right is a big challenge for housing providers. We intend the regulator to focus on working with providers to achieve a good management service and be responsive to tenants. When complaints are supported by clear evidence and highlight wide systemic failures by the landlords, affecting many tenants, it is for the regulator to investigate.

My hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase), in a passionate speech, cited not clause 4, but clause 173, on the provision of social housing. He mentioned his fear that it was the start of means-testing. My right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher)

[Mr. Iain Wright]

and my hon. Friend the Member for Great Grimsby (Mr. Mitchell) also mentioned means-testing. Let me clarify the matter: the Bill does not introduce a means test. It does not mean that social homes whose tenants can afford the mark-up will cease to be social homes. Anything that is social housing now will remain social housing, even if it does not meet the definition. The Bill does not change protections in contracts for existing tenants or change policy for new ones.

Paul Holmes: I thank the Under-Secretary for that attempt to clarify the issue, but will he go a little further? Will he guarantee that, under clause 173, no tenants whose living circumstances or wages improve will be deemed not to be social tenants and no longer have an assured tenancy? Will he guarantee that they will not be removed from that council or RSL property?

Mr. Wright: That is absolutely correct, but I want to tackle the wider point about means-testing and rationing allocation. We simply need more homes. Allocation and rationing are happening now because we do not have enough homes. For a generation, since the early 1970s, the supply of housing, especially social housing, in this country has not kept pace with demand—a point that my right hon. Friend the Member for Oldham, West and Royton and my hon. Friend the Member for Denton and Reddish made. Now we have made progress. The annual rate of new housing supply has increased by 40 per cent. since 2001 and is now at its highest for more than 20 years, reaching approximately 185,000 affordable homes in 2005-06. However, I stress again that we need to do more; we need more homes.

Bob Russell: Will the Minister give way?

Mr. Wright: I apologise, but I have not got much time; so I shall not give way.

My hon. Friends the Members for Islington, North, for Islington, South and Finsbury, for Denton and Reddish, for Luton, South, for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) and for Hayes and Harlington (John McDonnell) brought home to the House their experiences in their advice surgeries. They made important and emotional contributions to the debate. They confirmed what I experience in my constituency surgery: the biggest issue that affects hon. Members—certainly Labour Members—is the provision of affordable and social housing and the need to tackle overcrowding. They re-emphasised the key point that we need more homes. We have already said that the overcrowding standards are out of date and need to be changed.

However, it is not enough simply to change the definition. We need to build more and larger homes and we are already investing £35 million in pilots in London to help those who want to move out of large properties into smaller ones to help relieve overcrowding. Further work is needed and I hope that we can explore that in Committee.

Another major theme of the debate has been councils' ability to build new homes. Let me make it clear: there has been nothing to stop councils building homes, but there have been disincentives. For example, no provision is made in the housing revenue account subsidy allowance for financing the capital costs of new council housing. Operating surpluses from any new homes after allowances are made for management, maintenance and major repairs are redistributed nationally in the HRA subsidy system. That means that, on average, 25 per cent. of the rental income from any new home built by a council is redistributed nationally in that way. We will use the new powers in the Bill to exempt new supply from the HRA subsidy system. That will allow councils to keep the rental operating surpluses from those homes, which are currently redistributed nationally. We want councils to build more homes. We have set challenging targets for building more new social homes. Councils have an important role to play in meeting those challenges. We want to enable them to build more new social housing where this offers value for money.

My hon. Friend the Member for Islington, North made a fantastic point about the governance and accountability of ALMOs. Let me point out to him that the local authority still retains ultimate responsibility for the functions that it asks the ALMO to carry out as its agent. Ultimately, local authorities must manage their ALMO contracts, and although ALMOs are at arm's length, they are still part of the body, so it is important that there is local accountability and democratic engagement.

My right hon. Friend the Member for Greenwich and Woolwich and the right hon. Member for North-West Hampshire (Sir George Young) both brought skills and expertise as former Housing Ministers and made detailed, important speeches. Both mentioned the importance of tenants. I hope that they will therefore both welcome the provisions in the Bill that will place a stronger requirement on local authorities to co-operate with tenants who want to explore a change of ownership of their homes. They will mean that a local authority will not be able unnecessarily to block a transfer where tenants wish to explore that and have developed a robust case for it, and where it does not hinder the local authority's ability to deliver a satisfactory landlord service.

Let me come to a major part of the Bill, the establishment of the Homes and Communities Agency. The hon. Member for Welwyn Hatfield failed to welcome the new agency. He saw its creation in a simplistic way, as abolishing one organisation and creating another. He should recognise, as did my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) and my right hon. Friend the Member for Greenwich and Woolwich among others, that although the current system provides some progress, it shows a degree of fragmentation and complexity, with funding streams delivered in silos, overlapping remits and objectives, and—this relates to the point about the system being top-down—the over-involvement of central Departments in delivery, which limits capacity. The hon. Member for Welwyn Hatfield should know that the agency's true strength will come from adopting a holistic approach, bringing together the land, investment and skills required to facilitate the building of more homes.

A number of hon. Members correctly mentioned the relationship between the Homes and Communities Agency and local authorities, which is key. This

relationship will be crucial in delivering new homes. Far from being a top-down organisation, the agency will help local authorities, by suggesting, by challenging and yes, by funding, in order to increase councils' capacities. It can second staff or provide the infrastructure necessary to build homes.

Alistair Burt: I am grateful to the Minister for extending me a similar courtesy. If that is the case, will he look favourably on an amendment in Committee to impose a duty to consult with local authorities, if the agency is to operate in the beneficial way that he suggests it will?

Mr. Wright: The Bill already requires the agency to act as a partner to local authorities for development of the local area agreement and local improvement targets. That means that the agency must have regard to the local improvement targets set out in the LAA when carrying out its housing and regeneration activities.

The hon. Member for Basingstoke (Mrs. Miller) made a thoughtful speech, in which she mentioned the agency's respect of planning powers. She asked for clarity and for me to reassure her, which is what I hope I shall be able to do. The Secretary of State already has powers in that respect, which are not new powers. There are powers to designate areas under the Leasehold Reform, Housing and Urban Development Act 1993. The Bill will transfer those powers to the new agency and make their operation clearer. To meet today's housing challenge we need a range of powers at our disposal. Designating an area and conferring local planning authority functions on the HCA will allow it to act where, for example, a major regeneration project or eco-town is at risk. The HCA would be subject to the normal planning system, as any other planning authority is. We do not anticipate using the powers frequently and we are strongly committed to working with and supporting local authorities.

On a similar theme, the hon. Member for St. Albans (Anne Main) mentioned her concern about the HCA's compulsory purchase powers. Those powers are not new and, as now, will be subject to the agreement of the Secretary of State. CPO powers will be important to the new agency in trying to unlock sites, especially for regeneration, in cases where the owner is unknown or where there are areas of high fragmentation of ownership. An example that was mentioned is the Olympics site. The agency's compulsory purchase powers will also provide certainty to its delivery partners that the comprehensive redevelopment projects will happen.

The hon. Member for Welwyn Hatfield did not mention the environment once in his speech. He did not welcome the inclusion in the Bill of powers to allow us to make it mandatory for buyers of new homes to be given information through the code on the sustainability of their homes. Twenty-seven per cent. of all carbon emissions in the UK come from domestic buildings. The code aims to encourage developers to build more sustainable, low-carbon homes. A typical flat built to code standard will reduce carbon emissions by 450 kg a year for level 3. That is the equivalent of 1,500 miles travelled by an average car in Britain. For level 6, there would be a reduction of 1,500 kg a year, the equivalent of 5,000 miles.

The hon. Gentleman did not mention the environment, but my hon. Friend the Member for Milton Keynes, South-West certainly did. She described with great skill the difficulties that young families in her constituency face in getting on to the housing ladder. She also set out the need to increase the supply of all types of housing—owner-occupied, shared ownership and social rented. She is right. I now chair the Milton Keynes and South Midlands inter-regional board, and the ambition of that area to have more houses has been made very clear to me, both here and at meetings of the board. My hon. Friend mentioned the Milton Keynes tariff. That has shown that these arrangements can work; it is a real example of how we can get better results from having the public and private sectors working together with English Partnerships to provide expertise to local councils and facilitating agreement over so-called super section 106 agreements.

There are many more things that I should like to mention, but time does not allow me to do so. I should, however, like to pay tribute to my hon. Friend the Member for Cardiff, North (Julie Morgan). She welcomed the fact that the Bill will provide the same security of tenure under the rights and responsibilities of Gypsies and Travellers, and so do I.

Given the scale of the housing challenge, I would have liked to see a degree of political consensus on the Bill. Unfortunately, in the few contributions made by Conservative Members, that was not forthcoming. The Minister for Housing, my right hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), made an excellent contribution in opening the debate. In it, she challenged Conservative Members to come with us and to work together to address the housing supply problem, to help to improve opportunity and ambition and to reduce the ability of housing to be a source of inequality. She asked three direct questions of the Conservatives. She asked how many homes they thought were needed, if they did not agree with the target of 3 million homes. There was no response. She asked whether they would pledge to back the £8 billion that we have committed, or whether they would cut it. There was no response. She also asked whether they would support the Bill. It is clear that they will not.

The dividing lines are clear. The Conservatives have shown their narrow-mindedness and their parochialism. They want to pull up the drawbridges of their castles and country homes—in some cases, quite literally—and to limit the opportunity for millions of people to get a decent house. Their lack of ideas, their negativity, their "I'm all right, Jack" attitude and their absence from the Chamber today will do nothing to satisfy the housing needs of hard-working families and older people.

Bob Russell: Will the Minister give way?

Mr. Wright: I will not give way.

Let us contrast the Conservatives' attitude with the measures in the Bill. The Bill is full of ambition and aspiration for the people of this country. It will widen opportunity, reduce inequality and ensure that no one gets left behind in poor, inadequate or unaffordable housing. It is a Labour Bill, built on Labour values of fairness and opportunity. I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 151, Noes 339.

Division No. 009] **[9.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Rosindell, Andrew
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stewart Jackson and Jeremy Wright

NOES

Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen

Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Claire Ward and
Alison Seabeck

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on second or third reading), and agreed to.

Bill accordingly read a Second time.

HOUSING AND REGENERATION BILL [*PROGRAMME*]

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),

That the following provisions shall apply to the Housing and Regeneration Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 31st January 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Mr. Alan Campbell.]*

Question agreed to.

HOUSING AND REGENERATION BILL [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Housing and Regeneration Bill, it is expedient to authorise the payment out of money provided by Parliament of-

(a) any expenditure incurred by a Minister of the Crown by virtue of the Act, and

(b) any increase attributable to the Act in the sums payable by virtue of any other Act out of money so provided.—*[Mr. Alan Campbell.]*

Question agreed to.

DELEGATED LEGISLATION

Regulatory Reform

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

That the draft Regulators' Compliance Code for the Legislative and Regulatory Reform (Regulatory Functions) Order 2007, which was laid before this House on 15th October, in the last Session of Parliament, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

That the draft Legislative and Regulatory Reform (Regulatory Functions) Order 2007, which was laid before this House on 15th October, in the last Session of Parliament, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Mr. Speaker: For the convenience of the House, I shall put motions 8, 9 and 10 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Environmental Protection

That the draft Environmental Permitting (England and Wales) Regulations 2007, which were laid before this House on 9th October, in the last Session of Parliament, be approved.

Income Tax

That the draft Double Taxation Relief and International Tax Enforcement (Taxes on Income and Capital) (Faroes) Order 2007, which was laid before this House on 23rd October, in the last Session of Parliament, be approved.

That the draft Double Taxation Relief (Taxes on Income) (Switzerland) Order 2007, which was laid before this House on 23rd October, in the last Session of Parliament, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

Global Navigation Satellite System

That this House takes note of European Union documents No. 13112/07 and Addendum 1, Commission Communication: Progressing Galileo: re-profiling the European GNSS Programmes; 13113/07, amended draft Regulation on the further implementation of the European satellite radionavigation programmes (EGNOS and Galileo) and 13237/1/07, Commission Communication concerning the revision of the multi-annual financial framework (2007-2013), on re-profiling the Galileo programme and on the proposal for the revision of the Financial Perspectives to finance the Galileo programme and the European Institute of Technology; and endorses the Government's approach to discussions on these documents.—*[Mr. Alan Campbell.]*

Hon. Members: No—*[Interruption.]*

Division deferred till Wednesday 28 November, pursuant to Standing Order No. 41A (Deferred divisions).

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Speaker. Perhaps you might inform Labour Members that the rules on Divisions have been changed. A Division called after 10 o'clock on such a motion is deferred, so they need not go into the Lobby.

Mr. Speaker: It is very obliging of the Opposition Chief Whip to point that out. I did make it clear that the Division is deferred until half-past 12 o'clock tomorrow, so there is no need to worry. Hon. Members should come back then.

Lymington Marshes and Harbour

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

10.19 pm

Mr. Desmond Swayne (New Forest, West) (Con): I am pleased to have this opportunity to raise the very important matter of the future of Lymington harbour. I share the Lymington river with my hon. Friend the Member for New Forest, East (Dr. Lewis)—*[Interruption.]*

Mr. Speaker: Order. Will hon. Members please leave the Chamber quietly, as a courtesy to the hon. Gentleman who has the Adjournment debate?

Mr. Swayne: Thank you, Mr. Speaker. As I was saying, I share the Lymington river with my hon. Friend the Member for New Forest, East. It forms the dividing line between our two parliamentary divisions, and we have both received an enormous amount of correspondence—and of lobbying—about the issues that I wish to raise this evening. My hon. Friend has apologised to me for not being able to be in his place this evening, but he had already entered into a commitment when I learned, at 12.30 pm on Thursday, that I had secured this debate. I believe that, even as we speak, he is at sea with the Royal Navy.

The port of Lymington makes a contribution to my local economy that is not far short of £100 million a year. The harbour exists only because it is protected from the waves of the western Solent by Lymington's salt marsh and mud flats, but the problem is that they have been eroding since 1920. I understand that New Forest district council's coastal protection team estimates that the current rate of erosion is between 2 yd and 6 yd a year at the periphery, and 1 yd a year on average in the harbour itself. At that rate, the salt marshes will cease to exist by some date between 2030 and 2040. That will mean that the vast majority of existing moorings in the harbour will become unviable, which will be an economic disaster for Lymington.

The Lymington harbour commission has been working on the problem since the early 1990s. Over the past two and a half years, in association with the consultants Black & Veatch, it has come up with a scheme that is both viable and affordable. I stress the word "affordable", as we are not asking for Government money—indeed, to do so in an Adjournment debate would be out of order.

The plan is to build a series of overlapping breakwaters over the next 25 years, with work starting next year, if permission is obtained. The breakwaters will do exactly what the salt marshes do now. They will protect the harbour from the waves of the western Solent but, crucially, they will also protect the surviving salt marsh that they enclose. Let us be clear: if we do nothing, we will lose not only the harbour but the salt marsh.

The salt marshes fall within the Southampton Water special protection area and are a very important wildlife site, especially for overwintering and breeding birds. The area also falls within the Solent special area of conservation, which is protected by the habitats directive, and it is, indeed, a European Natura 2000 site.

Notwithstanding the permitted development rights of the Lymington harbour commissioners under the Pier and Harbour Order (Lymington) Confirmation Act 1951, the proposed breakwaters will require planning permission from the New Forest national park authority. To that end, an environmental assessment has been made and I understand that the statutory consultees will scrutinise the draft assessment on 5 December. However, I think I am correct in saying that, whoever the statutory consultees are, they will be led by Natural England, which has a national policy of not interfering to secure coastal protection where deterioration is the result of a natural process.

The breakwater's footprints will be on the existing salt marsh, and I understand it is likely that Natural England will judge that an adverse effect. It will not take into account the fact that, although the salt marsh footprint will be given up to the breakwater, a larger amount of the salt marsh that will otherwise disappear will be saved by the breakwaters. The salt marsh land occupied by the breakwaters will cease to exist anyway as a consequence of the continuing erosion.

If the Lymington harbour commissioners cannot get Natural England to acquiesce to their proposition, and if Natural England persists in saying it will be an adverse development for the salt marsh, the commissioners' only recourse will be to make a case to the Secretary of State on the basis of overwhelming public interest. If the Secretary of State accepts the case, the commissioners will have to enter into an arrangement with Natural England to compensate the organisation for loss of the salt marsh by paying for the creation and stewardship of an equal amount of salt marsh elsewhere in the kingdom.

It is into that Alice in Wonderland world that I want the Minister to intrude. It is absurd to ask the Lymington harbour commissioners to pay for the creation of 5 acres of salt marsh elsewhere because they are taking action to save 12 acres of salt marsh in Lymington. I accept that 5 acres occupied by the breakwaters will be given up, but that land would be lost anyway. If we do nothing we shall lose all the salt marsh and the harbour, too.

I hope that the Minister will be able to provide some reassurance to the large number of organisations and people in Lymington who are rightly concerned about these developments. Those supporting the Lymington harbour commission include the harbour advisory group, the sailing clubs, the marinas, the chamber of commerce, New Forest district council, Wightlink and the hundreds of constituents who have written to my hon. Friend the Member for New Forest, East.

The second issue I ask the Minister to deal with is the plan by Wightlink significantly to increase the size of the ferries that operate between Lymington and Yarmouth, which is in the constituency of my hon. Friend the Member for Isle of Wight (Mr. Turner)—I am glad that he is in the Chamber tonight. A few weeks ago, I attended a public meeting about the plans in Lymington. The meeting was highly charged; it was packed—more than 300 people attended—and a number of questions were asked, which might have been answered by Natural England had it taken the trouble to send someone to the meeting. On 2 November, I wrote to Natural England asking why it had not taken that opportunity but I have not yet had a reply.

[Mr. Swayne]

Had I been granted a whole parliamentary day to examine the issue, we should still not have covered it all, as I discovered at the meeting. If the Minister will forgive me, I shall briefly summarise the issues as I see them. There are three competing interests. The first is the environmental interest. There are those who insist that the significantly increased ferry size will generate a bow wave—a wash—such that it will accelerate the erosion of the salt marshes. Equally, there are those who argue, on the basis of tests carried out in tanks in Zurich, that new modern ferries will generate a reduced wash, although the counter-argument is that those tests were carried out in relatively deep water and the port of Lymington is relatively shallow. What is more, when countering a side wind, the directional thrust of the engine type that is unique to Wightlink's operations will have a deleterious effect on the sides of the channel.

The second interest is the commercial one: the need of enterprise and jobs in Lymington for an efficient ferry service to the Isle of Wight. That has to be set against the commercial interests of the trade generated by the huge number of leisure craft that operate from the port of Lymington. It is the case, however, that the current ferry service is uneconomic; it will lose money unless investment is put into new ferries that are cost-effective, modern and meet contemporary regulations and standards.

The third interest is the interest of the other river users, principally the yachtsmen, the sailing clubs and the marinas. There is an argument that the new greatly increased size of the ferry will inconvenience them or put them in significant danger. When I refer to the size of the new ferries, I do not just mean the relatively modest increase in capacity; I am also referring to the greatly increased displacement of water, the increased deadweight and the increased thrust. The argument is that all sorts of activities that now take place in the Lymington river will not be able to continue, particularly the free sailing training that is afforded by the sailing clubs to youngsters, many of whom are from less advantaged backgrounds.

All of this has resulted in an enormous row. I have no doubt that assessments, modelling and sea trials might provide some of the answers to the disputed questions, but I do not believe that that will solve the dispute itself, because the reality is that these ferries are already half-built and many people in Lymington feel that, whatever the outcome, they are being presented with a fait accompli.

Into this mêlée steps the Lymington harbour commission, of which I have spoken. It insists that because Lymington is designated as an open port it has no ability to deny the ferries access. Indeed, it cannot deny anyone access; I am told that even a supertanker can have access to the Lymington river and all the Lymington harbour commissioners can do is impose measures to mitigate the impact. Measures to mitigate the impact might well affect other river users as well. Even if such mitigation is imposed directly on Wightlink—in the form of a slower speed limit, for instance—that will affect other river users, because it will mean that ferries will occupy the river channel for longer in any hour, to their disadvantage.

The following is the essential point I wish to make to the Minister. If an undertaking of this size and sort had taken place on land there would have been a planning application and all the objections and interests would have properly been taken into account in the determination of it, but because this is happening at sea apparently no one needs any permission to apply for anything, notwithstanding all the designations—I have spoken of Natura 2000. I believe this is an enormous omission in our planning system, on which Ministers should reflect and act. A Planning Bill has been published today, and an appropriate amendment to it might prevent these situations from arising in future—but that would not, of course, be retrospective.

There will, however, be a planning application. Indeed, there is one because of the effects on land. In order to accommodate the new ferries, there has to be some shore works at Lymington, and a planning application has been put in. According to the Minister for the South East, in response to a written question of mine of 14 November—column 243—this planning application will be determined by the Marine and Fisheries Agency, and it will consider the opinion of Natural England that Wightlink's proposals constitute a plan or project for the purposes of the Conservation (Natural Habitats, &c) Regulations 1994, and therefore an appropriate assessment will be required.

Wightlink will argue that the proposals do not constitute a plan or a project. So the conservationists and the yachtsmen of Lymington are, in effect, looking for the Marine and Fisheries Agency to act as the seventh cavalry and come down on the side of Natural England and its assessment of what is a plan or a project. Equally, it might all end up being settled by a judge in court, at great expense to everyone. I want to know from the Minister whether there is any other statutory body that is in a position to demand an appropriate assessment before the matter is determined and the shore works take place.

I accept that this process of dealing with the issue is better than none, but it falls far short of a proper planning inquiry, because the appropriate assessment will take into account only the environmental interests. It will take no account of the commercial interests, or, most important, the leisure craft interests. The sailors of Lymington have the most to lose, but their voice is not going to be heard—and it ought to be.

10.36 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I congratulate the hon. Member for New Forest, West (Mr. Swayne) on obtaining this debate, which is obviously on an important subject. He has made his case enthusiastically. I regret that I may have to confirm a lot of the things that he has already said, but I need to do that for the record.

The hon. Gentleman asks how the salt marshes and Lymington harbour itself can be protected from the open seas. As he has stated, this is an important site. The salt marshes and mudflats at Lymington estuary are internationally designated as part of the Solent and Southampton Water special protection area for birds. They constitute a Ramsar site, and are part of the

Solent maritime special area of conservation. They are also part of the national sites of special scientific interest series.

Natural England has confirmed that recent studies have estimated that the Solent will lose around 700 hectares of salt marsh over the next 100 years due to sea level rises and increased erosion, and that there will also be losses of inter-tidal mud and sand. The coast is able to adapt to sea level rises, as it has over the centuries, by rolling back. Much of the Solent is developed and not available for such dynamic change. However, there are sites where such adaptation can occur and this is the only way that salt marshes can be part of the Solent's suite of habitats into the future. It is not—I repeat, not—sustainable to maintain salt marshes in situ in the long term.

Natural England is working through the shoreline management plan process to enable important habitats to roll back where appropriate. There is limited scope in Lymington for such a roll-back. A water level management plan led by the Environment Agency is exploring the possibility of allowing salt marsh to form up-river from the harbour, where it will naturally migrate under climate change.

However, I can see the logic of the hon. Gentleman's argument that, if the salt marsh habitat in the Lymington river will ultimately disappear through the effects of sea level rises, a temporary artificial intervention to protect at least part of this asset in the short term should be welcomed. The merits of that approach, however, need to be very carefully assessed and weighed against the potential loss, in so doing, of some of that habitat. In particular, it is necessary to undertake sophisticated modelling to ensure that, as far as possible, any proposal would not have unforeseen effects that could exacerbate the loss of the salt marsh.

Regarding the proposed breakwater development in Lymington harbour, as the hon. Gentleman knows, this lies within the New Forest national park and consequently the New Forest national park authority is the appropriate local planning authority. However, I understand that Lymington harbour commissioners are relying on permitted development rights—a general development order under section 25 of the Pier and Harbour Order (Lymington) Confirmation Act 1951—to pursue the development. As such, the new breakwaters do not require planning permission from the New Forest national park authority. However, as the proposal affects an international site, the national park's approval will still be required under regulation 62 of the Conservation (Natural Habitats, etc.) Regulations 1994.

The regulations say that where a developer relies on a general development order, the developer still has to make an application in writing to the local planning authority for its approval. The regulations state that

"the local planning authority shall, taking account of any representations made by the appropriate nature conservation body, make an appropriate assessment of the implications of the development for the European site in view of that site's conservation objectives."

As the hon. Gentleman said, the New Forest national park authority is awaiting the production by Black & Veatch—consultants working on behalf of the Lymington harbour commissioners—of a draft environmental statement to support an environmental impact assessment and an appropriate assessment. I understand that Natural England has provided some informal feedback on the drafting of the statement and impact assessment in meetings with the harbour commissioners, and Natural England intends to respond formally in writing to the commissioners next month. As yet, no application for consent to the breakwater proposal has been submitted to the Marine and Fisheries Agency. Assuming that an application is made in due course, it will need to be supported by an environmental statement incorporating a draft appropriate assessment. In considering any such application, the MFA will consult formally with Natural England. Despite what the hon. Gentleman said, Natural England has no pre-formed view on the issue.

As the hon. Gentleman said, a meeting for Black & Veatch, Natural England, the national park authority and the MFA is scheduled for 5 December, at which the results of that work will be heard. Until the regulators have seen the report, it would be inappropriate for them to take a formal position on the proposal. Clearly, they could not have gone to the meeting that has been described. As members of a statutory body, the Lymington harbour commissioners have a duty under section 62 of the Environment Act 1995 to take into account the impact of their decisions on the national park. The national park authority considers the coastal landscape outside Lymington harbour to be of very high importance because of its unspoilt natural beauty. The area is highly sensitive and could be irreversibly damaged by inappropriate or unsympathetic development, so there is a responsibility on the harbour commissioners to ensure that the highest possible standards of design, and the best materials, are applied in the construction of the breakwaters to protect the special qualities of the national park.

The national park authority recognises the significance of the national conservation interest and the level of legal protection it is afforded, but it is also aware of the socio-economic importance of Lymington harbour, and it is therefore keen to ensure a balanced, sustainable solution to the problems facing the port. The harbour needs a solution that takes into account nature conservation and landscape and environmental issues, while securing the future of the recreational and commercial activities that sustain the local economy and enrich the life of local communities and visitors. The national park authority is keen to support a sustainable solution that meets the range of legitimate demands made on the part of the New Forest concerned.

The hon. Gentleman pointed out that it is possible for the Secretary of State to consider an application for

"imperative reasons of overriding public interest",

and he seeks an assurance on the issue. I am sorry to disappoint him, but it is obvious that until the results of the appropriate assessment are available I can comment no further on that point.

The hon. Gentleman is correct that the Wightlink application has been received by the Marine Fisheries Agency. Wightlink applied for a licence under the Food and Environment Protection Act 1985, and for consent under the Coast Protection Act 1949 for works to improve the ferry berth and access ramps in Lymington. In considering such applications the MFA endeavours to satisfy legitimate development aspirations and to promote economic growth, commensurate with delivering sustainable development. I can assure the hon. Gentleman that all applications for marine works are subject to

[Joan Ruddock]

rigorous scientific evaluation to prevent or minimise any adverse environmental effects and prevent undue interference for other users of the sea.

In dealing with the application the MFA has consulted a range of marine stakeholders and other regulators, including Natural England, which has a statutory duty to advise on nature conservation issues. In considering whether to grant consent, NE has advised that the MFA should also have regard to the potential impact of Wightlink's intention to replace the current ferries with larger and more powerful vessels. In its view a formal appropriate assessment should be carried out. Natural England also suggested that the scheme may be a relevant project under the Marine Works (Environmental Impact Assessment) Regulations 2007. Wightlink, as the hon. Gentleman said, has challenged NE's stance with its own legal advice.

The MFA has not yet taken a view on these matters but will have full regard to the responses that it has received, together with the expert advice of the Department's marine scientists. Although the proposed vessels are understood to have a significantly larger superstructure and correspondingly greater displacement, more information about their propulsion, operational speed and service frequency will be needed to assess better any risks. The Lymington harbour commissioners manage the Lymington river and harbour in accordance with the Lymington Harbour Orders of 1951 to 2002. Although they have indicated that the construction works will have no adverse effect, it is not clear to what extent they have assessed the potential effects of operating larger ferries.

I understand, as does the hon. Gentleman, that New Forest district council says that planning permission is required. No doubt the larger ferries may also have implications for road traffic and other planning-related matters. Accordingly, the agency intends shortly to meet Wightlink, the harbour commissioners, Natural England and New Forest district council to consider how each regulator will take forward the process of appropriate assessment. The matter needs to be sorted out between those regulators. They will need to address how the potential risks associated with the operation of larger vessels can be properly assessed and what measures may be available, if necessary, to mitigate their effect on the environment and other river users. The results of the appropriate assessments may, of course, have an impact on the time scale for the introduction of the ferries or the operating arrangements for them.

I have done my best to obtain all the relevant information in order to assist the hon. Member for New Forest, West and his constituents. We are dealing with very complex matters in trying to conserve our beautiful places and our biodiversity while satisfying human demand for economic opportunity, trade and leisure. It is important to explore the issues and this has been an important debate. I heard what the hon. Gentleman said, and I trust that he will understand why it is not possible for me to give him more definitive answers at this juncture.

Question put and agreed to.

Adjourned accordingly at twelve minutes to Eleven o'clock.

House of Commons

Wednesday 28 November 2007

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

REPORT OF THE SPOLIATION ADVISORY PANEL

Resolved,

That an Humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report from the Right Honourable Sir David Hirst, Chairman of the Spoliation Advisory Panel, in respect of three Rubens paintings now in the possession of the Courtauld Institute of Art, London.—*[Mr. Roy.]*

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Gould Report

1. **Mr. Andrew Robathan** (Blaby) (Con): If he will make a statement on the Gould report on the recent Scottish elections. [167456]

8. **Mr. David Amess** (Southend, West) (Con): What recent discussions he has had with ministerial colleagues on the Gould report on the Scottish elections. [167463]

The Secretary of State for Scotland (Des Browne): On 23 October, I made a full statement on the Gould report in the House, in which I committed to taking forward five important recommendations. Recently, when my hon. Friend the Minister of State, Scotland Office, gave evidence to the Scottish Affairs Committee, he set out our intention to consult very soon on other issues that Mr. Gould raised. I shall have discussions with colleagues before finalising the Government's response.

Mr. Robathan: Gould particularly found that

"the voter was treated as an afterthought"

in the planning and organisation of the May 2007 elections in Scotland. The Government introduced incomprehensible ballot papers in Scotland, e-counting—particularly discredited by Gould—and postal voting throughout the United Kingdom, which has led to numerous cases of corruption, and which the Electoral Commission warned against. The Government are also introducing pilots on e-voting. This country used to have an enviable reputation for its democratic electoral processes, which have been reduced to the status of those of a banana republic. Is the Secretary of State proud of being associated with that?

Des Browne: The hon. Gentleman is right to base his question on the words of Mr. Gould. The problem, of course, is that he edited them. Not only did he select just one sentence out of Mr. Gould's report, subsequent letter, press release and evidence to a Scottish Committee, but he edited the sentence. The words that he missed out are:

"by...all the other stakeholders."

Those stakeholders included the Conservative party—[HON. MEMBERS: "No."] Mr. Gould has made it perfectly clear that, in his view, all those in the political classes share responsibility for the situation in Scotland; we all ought to be big enough to take that responsibility and to start to address the issues through the processes that I have just announced.

Mr. Amess: Having listened to the Secretary of State's answer, I think that he and the Labour party have absolutely no idea of the damage that the situation did to the integrity of the democratic process in this country. He said that consultation would start soon. Will he tell the House what exactly he means by "soon"?

Des Browne: It will be on or about a date in the first half of December.

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my right hon. Friend agree that it really is time to move beyond the allocation of blame and party political point-scoring? Surely it behoves everyone, from all the political parties, to get together constructively and put in place arrangements to ensure that we never have a repeat of what happened last May.

Des Browne: That exactly summarises Mr. Gould's position when he recently gave evidence to a Committee in the Scottish Parliament. He expressed significant disappointment about what politicians had sought to do by picking on his report— [HON. MEMBERS: "Oh!"] Those are his words, not mine. Given that my right hon. Friend has in the past been unstinting in his criticism when it was appropriate, we ought to listen to the lesson that he sets out for all of us in the House and in the political classes.

Ms Katy Clark (North Ayrshire and Arran) (Lab): My right hon. Friend will be aware that the Gould report suggests that we move away from overnight counts. Does he agree that there is no evidence to suggest that counting overnight caused the problem in May, and that we should stick with the tradition where practicable?

Des Browne: My personal view is that the overnight count is part of the recognised tradition of the electoral system in this country. Many people, whether or not they are otherwise engaged or interested in politics, expect to wake the morning after a general election able to know who their Government are to be. That is a big prize to give away. That having been said, in his report Mr. Gould sets out arguments on why asking people to take responsibility for such an important process after they have done a day's work may not be the best way to deal with things. That is exactly why we decided that it is one of the recommendations that ought to be consulted

on, so that the difference of views across the country can inform the eventual decision on whether we make that significant change.

Angus Robertson (Moray) (SNP): The Gould report focused on the organisational issues raised by the Scottish Parliament elections rather than on financial matters, but since the publication of the report, it has emerged that £326,955 of illegal donations were made by David Abrahams between the 2003 and 2007 Scottish Parliament campaigns. Can the Secretary of State give the House an assurance that none of those illegal laundered donations funded the Labour campaign in Scotland—yes or no?

Des Browne: The hon. Gentleman knows that that issue is not part of my responsibility as the Secretary of State for Scotland, but I can give him a categorical assurance that, in terms of my state of knowledge, none of the donations to the Labour party that have figured in the media over the past couple of days went to fund any part of the Scottish election campaign.

Sir Patrick Cormack (South Staffordshire) (Con): I am sure that the Secretary of State agrees that the Gould report is extremely important and demands the closest possible consideration. How much time has the Secretary of State been able to devote to it?

Des Browne: My hon. Friend the Minister of State, Scotland Office, has devoted a significant amount of his time to it. As the hon. Gentleman would expect, I have provided strategic supervision. He and the House can be satisfied that I have sufficient knowledge of the report and the matters relating to it to be able to carry out my responsibilities, which is partly why I am answering questions about it. I am sure that he will not be disappointed.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I am pleased that the right hon. Gentleman could give a categorical assurance to the House that there were no unlawful or completely unacceptable donations to the Scottish Labour party campaign for the Scottish elections—but does not this very issue highlight the reason why his predecessor the right hon. Member for Paisley and Renfrewshire, South (Mr. Alexander), who is now Secretary of State for International Development, should not have administered the elections and at the same time run the Labour party campaign?

Des Browne: I do not think that there was any conflict of interest in the role that my right hon. Friend the Secretary of State for International Development played as the Secretary of State for Scotland. Everything that he did was completely transparent and above board; none of it was done in party interests, nor was the subsequent role that he played as a politician in the conduct of Scottish parliamentary elections.

David Mundell: But does the Secretary of State not agree that his predecessor, who was also Transport Secretary, has a lot of explaining to do to the House, not least about the Scottish election debacle? Does he not agree that rather than hide behind pre-recorded television interviews, his right hon. Friend should face scrutiny in the House and appear before the Scottish Affairs Committee?

Des Browne: Who appears before the Scottish Affair Committee is a matter for the Committee, not for me—or, indeed, for the hon. Gentleman, other than in his capacity as a member of that Committee.

Commonwealth Games

2. **Jo Swinson** (East Dunbartonshire) (LD): What recent discussions he has had with the First Minister of Scotland on the award to Glasgow of the Commonwealth games in 2014. [167457]

The Secretary of State for Scotland (Des Browne): My hon. Friend the Minister of State wrote to the First Minister on 21 September offering our full support for the bid, and I was delighted to hear that Glasgow had won the 2014 Commonwealth games. Officials in the Scotland Office are continuing to work closely with the Scottish Executive on a number of issues relating to the games.

Jo Swinson: I thank the Secretary of State for that reply. I am sure that the whole House will want to join me in congratulating the people of Glasgow and the bid team. The bid received support from all political sides, and now that the games have been secured for Glasgow they will provide a fabulous opportunity to inspire young athletes, such as 16-year-old Matthew Graham in my constituency, the Scottish 1,500 m steeplechase champion. As lottery funding has halved since 1997, and there is uncertainty about grass-roots sports funding because of the lottery and the Olympics, what has the Secretary of State done to ensure that Scotland receives increased funding both for elite and grass-roots sport in the run-up to 2014, so that we can spot the talents of athletes such as Matthew?

Des Browne: Given the hon. Lady's obvious interest in the issue and her specific constituency interest—I congratulate the young person in her constituency who has that talent, which I am sure will be nurtured to allow the best to be made of it—she will know that in the time that we have been responsible for this area of policy, the amount invested in the development of athletics and elite athletes has more than doubled. She asked what I would do. I will ensure that we in Government continue to invest at world-record levels in nurturing and supporting our athletes.

John Robertson (Glasgow, North-West) (Lab): Will my right hon. Friend congratulate the leader of Glasgow city council, Steven Purcell, and the city councillors on all the work that they did? Will he also thank and pass on our good wishes to Jack McConnell, who did a great deal of work to make sure that Glasgow won the 2014 bid and did not, like some people, jump on the bandwagon at the end of the day?

Des Browne: This success, which is a success for Glasgow, for Scotland and for the United Kingdom, ought to be distinguished by our ability across all political parties not to turn it into some sort of partisan Olympic competition, as it were. Because of that, and because the city of Glasgow was the bidder, I contacted the leader of Glasgow city council immediately after the award and expressed my congratulations to him and my support for all those who had been involved in

securing the award—those who were present when the bidding process and the voting took place, and those who had been involved in the past. Everybody who has been involved is entitled to credit—*[Interruption]*—including the present Scottish Executive, and the previous Scottish Executive under the leadership of Jack McConnell.

Electricity Generation

3. **Mr. Mike Weir** (Angus) (SNP): What recent discussions he has had with Scottish Ministers on electricity generation in Scotland. [167458]

The Minister of State, Scotland Office (David Cairns): There have been no such recent discussions, but my right hon. Friend the Secretary of State recently met Ofgem to discuss a range of issues.

Mr. Weir: I note with interest that the Secretary of State recently met Ofgem. The Minister will know that there has been a great deal of concern in Scotland about the discriminatory transmission regime that Ofgem imposed on generators. It is now proposing a double whammy for Scottish generators by also proposing a locational distribution charge for energy generated in Scotland by whatever means it is generated. Will he urge his colleagues at the Department for Business, Enterprise and Regulatory Reform and other Cabinet colleagues to reject this latest bout of madness from Ofgem?

David Cairns: The current transmission arrangements ensure that Scottish consumers are paying lower utility bills than they were paying previously, but of course transmission charges are irrelevant if the generating capacity is not being built. The Scottish Executive had four planning decisions to make about onshore renewable wind farms, and they rejected three of them. If they turn down three wind farms, they will not have the capacity to transmit energy. Until they can come up with an explanation of how they will plug the gap that will be left when they do away with nuclear power, they have no credibility whatever on the issue.

Anne Moffat (East Lothian) (Lab): Does my hon. Friend agree that a huge percentage of electricity generated in Scotland at present is nuclear? Does he agree that it is naive and populist for the Scottish Executive to rule out nuclear as part of the energy mix?

David Cairns: My hon. Friend is right. Across the UK as a whole about 20 per cent. of electricity is generated from nuclear. In Scotland the figure is nearer 40 per cent., so it is incumbent on those who think that there will be no nuclear in future to explain how we will get the base load, how we will keep the lights on, and how we will make sure that Scotland has a sufficient supply of electricity. Only this week a new proposal for a wind farm is being made in my constituency. Guess who is leading the campaign against it? The local Scottish National party.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The Minister will be aware of the immense potential for renewable energy in the Pentland firth. He will also be aware, because I have told him about it, of the work—*[Interruption.]*

Mr. Speaker: Order. This noise is unfair to hon. Members who are here for Scottish questions.

John Thurso: The Minister will be aware of the work being done by the project team. The Minister will also know that the responsibilities to enable that to happen fall between the Department for Business, Enterprise and Regulatory Reform and the Scottish Government. How can he use his best offices to ensure the best outcome for renewable energy in the Pentland firth?

David Cairns: The hon. Gentleman is right to say that there is tremendous potential in the Pentland firth, as I saw for myself not once but twice during the past few months. Here at Westminster, the Government are advancing on three fronts at once with the Planning Bill, an energy Bill and the Climate Change Bill to ensure that we can supply the energy that our country needs without wrecking the planet in the process. Many planning issues are the responsibility of the Scottish Executive. We will work closely with them to guarantee that the best advances can be made in ensuring that the potential of the Pentland firth comes on stream, although onshore wind capacity is far more advanced. They have turned down three out of four planning applications in that area, so how on earth do they hope to plug the gap?

Mr. Ben Wallace (Lancaster and Wyre) (Con): Yesterday, British Energy announced an interest in two sites in Scotland for the next generation of nuclear power stations. Why should both the United Kingdom's energy policy and its ambition to reduce carbon emissions be held hostage by Scottish nationalists using planning technicalities in a Scottish Parliament? What will the Secretary of State and his colleague do to ensure that the First Minister does not gamble with Britain's environment on constitutional politics?

David Cairns: The Government are entirely clear that it is for the private sector to come forward with proposals for nuclear power stations and to decide where it would like them located. In terms of consents under the Electricity Act 1989 and planning, these matters have been devolved. The Scottish National party is turning down three quarters of applications for new wind farms, but the Conservative party wants a moratorium on all new wind farms, so it would not be able to plug the gap either.

Pensioners (Heating Costs)

4. **Mr. Jim Devine** (Livingston) (Lab): What recent discussions he has had with the Secretary of State for Work and Pensions on the provision of assistance to pensioners in Scotland with the cost of heating. [167459]

The Secretary of State for Scotland (Des Browne): I speak regularly to my right hon. Friend the Secretary of State for Work and Pensions. I am pleased to report that more than 1 million winter fuel payments are made in Scotland, and that the payments represent about 34 per cent. of a pensioner's average annual fuel bill.

Mr. Devine: I am grateful to my right hon. Friend for that answer. Is he aware that some pensioners in my constituency will not be able to spend that money? They are like the more than 10,000 pensioners in Scotland whose heating systems have been condemned and will not be sorted until next April at the earliest. Although it is easy to condemn the Scottish National party's Government for complacency, we should not play politics with pensioners' lives. Will he convene a meeting to ensure that we get the problem sorted so that our pensioners can have a warm Christmas?

Des Browne: The central heating programme has made a very significant contribution to combating fuel poverty in Scotland. Since it started in 2001, more than 89,000 installations have been done. It is singularly inappropriate that people who qualify for inclusion in the programme, pensioners in particular, should be left waiting over the winter for the installation of a new heating system. There has recently been an increase in the number of people coming to my constituency surgeries complaining about this matter, and I would be happy to meet my hon. Friend to discuss it—but as he points out, this is a devolved responsibility.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Secretary of State is right to point out the significant achievements of the central heating scheme promoted by the previous Scottish Executive. Is it not ironic that many Scottish pensioners will not be able to use the central heating systems that were installed because of exceptionally high fuel prices this winter, particularly oil prices? Does he not accept that historically high oil prices present a particular threat to Scottish pensioners, and that his Treasury colleagues should try to find a solution this year?

Des Browne: I think that we all agree that when fuel prices go up, the least well-off are the most challenged by them. We have an agreed definition of what constitutes fuel poverty. The hon. Gentleman cannot suggest with a straight face that this Government have not been alive to that issue across the United Kingdom. He will recall that winter fuel payments were £20 when they were introduced in 1997 for the first time, but they have now risen to £200, and to £300 for households containing someone who is more than 80 years old. They represent more than a third of an average pensioner household's winter fuel bill. He should congratulate the Government on what they have achieved.

Digital Switchover

5. **Mr. David Hamilton** (Midlothian) (Lab): When he last met Ofcom to discuss digital switchover in Scotland; and if he will make a statement. [167460]

7. **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): When he last met Ofcom to discuss digital switchover in Scotland. [167462]

The Minister of State, Scotland Office (David Cairns): I speak regularly to Digital UK's national manager for Scotland about switchover, and I also speak to Ofcom in relation to a number of issues, including switchover. Preparatory work is proceeding apace.

Mr. Hamilton: I thank the Minister for his answer. However, 20 per cent. of my constituents do not, and will not, receive digital transmissions, and we will not get the digital changeover until 2010. Surely, as the BBC offers a universal service, we are entitled to a rebate until that changeover takes place.

David Cairns: I have some sympathy with my hon. Friend's point, but he must consider this: if we were to take money out of the BBC's budget as he suggests, it would be difficult for it to meet the challenging timetable that we have for digital switchover. I cannot therefore offer him any comfort in that regard. What matters is that we proceed as quickly as we can with switchover, as is happening throughout the rest of the world. We need particularly to ensure that older and more vulnerable people are given the help and support that they need—I know that he has been campaigning on this issue—and that remains the Government's top priority.

Sandra Osborne: My constituents in the Girvan area are in the first tranche for digital switchover in Scotland, but are currently subject to a postcode lottery for both analogue and digital, whereby some people get Ulster TV, some people get Border, and others get access to STV. Now that the digital switchover is happening, can the Minister guarantee that everyone will be able to access STV as their default ITV channel?

David Cairns: I congratulate my hon. Friend on the work that she has been doing on this issue. I know that she is due to meet Ivan Kennedy, the community liaison executive from Digital UK, in the coming week. I have alerted Digital UK to the fact that that is the issue that she wants resolved, so I hope that when she has that meeting it will be able to provide her with the answer. In the meantime, I understand that there is a website that people can visit, and if they put in their postcode they will be able to find out exactly which channels they will receive.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): As the Minister will be aware, these are tense times for the new Gaelic television channel. The political expectation from me—and from him, I hope—is that it will come into existence in the springtime. When does he hope that it will be available on digital terrestrial television?

David Cairns: The hon. Gentleman is correct. The Government have been firmly supporting that service. He will know from the article that I wrote—in Gaelic—in *Scotland on Sunday* how committed we are to it. It is our expectation that the service will be up and running this financial year. I understand that it cannot go on Freeview until the switchover, but will be available on other platforms in the meantime. We are committed to ensuring that it happens.

Whisky Industry

6. **Gordon Banks** (Ochil and South Perthshire) (Lab): What recent estimate he has made of the value of the Scottish whisky industry to the economy of Scotland. [167461]

The Secretary of State for Scotland (Des Browne): The Scotch whisky industry is of massive importance to the Scottish economy, and that is why the Government have announced steps to enhance the protection of Scotch whisky. Exports of Scotch whisky are worth £2.5 billion annually to the Scottish and UK economy.

Gordon Banks: My right hon. Friend will be aware that the Government are soon to bring forward new legislation to protect the Scotch whisky industry, especially in the important overseas market. Can he assure me, and the House, that that legislation will be relevant solely to the Scotch whisky industry, rather than being part of wider regulation, so that the industry can be better protected in the vital overseas market?

Des Browne: I recently had the pleasure of visiting my hon. Friend's constituency to see the importance of the whisky and related industries to the economy of his area. While I was doing that, my hon. Friend the Minister of State was engaged in continuing discussions with the Department for Environment, Food and Rural Affairs about the issue that he raises—the translation into legislation of a European directive to protect the intellectual property rights of Scotch whisky. We had already announced that we as a Government would consult on the legislation, and we are determined that it will be in the best interests of the Scotch whisky industry. Like everyone else, my hon. Friend will have to wait until we announce and publish the legislation that will be consulted upon, but I suggest that all of those who share the best interests of the Scotch whisky industry are unlikely to be disappointed by the legislation.

Mr. Alan Reid (Argyll and Bute) (LD): The Secretary of State will be aware that the duty the Chancellor charges on whisky is far higher per unit of alcohol than on wine. Will the Secretary of State lobby the Chancellor to equalise rates of duty in the next budget to create a level playing field for the Scotch whisky industry?

Des Browne: I suppose I should declare an interest in this matter, because I have one of the biggest Scotch whisky bottling plants in my constituency—the world-famous Johnnie Walker plant in Kilmarnock. I have a long-standing interest in ensuring a level playing field for Scotch whisky in the United Kingdom and throughout the world. I am pleased to remind the hon. Gentleman of what he already knows, which is that since we came to power, the Chancellor of the Exchequer has frozen the duty on Scotch whisky year on year in order to achieve that very competitiveness.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [168571] **Shona McIsaac** (Cleethorpes) (Lab): If he will list his official engagements for Wednesday 28 November.

The Prime Minister (Mr. Gordon Brown): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Shona McIsaac: Veterans in my constituency welcomed last week's news that priority health care is to be extended to them. However, many of the scars of war are mental and psychological, and I would like my right hon. Friend to tell me what he proposes to do to extend treatment to the soldiers, sailors and air force men affected by them.

The Prime Minister: I thank my hon. Friend for taking up the cause of veterans in her constituency. She is absolutely right; last week the Health Secretary announced that veterans would be accorded priority treatment in the national health service, as they should be. He also announced that there will be a new community-based veterans' mental health care service, which will run for the next two years with independent evaluation. There are 150 mental health professionals working throughout defence, employed by the Ministry of Defence, and we are determined to do what we can to support not only our veterans but all those in our armed forces who do an outstanding job and to whom we owe a debt of gratitude and a duty of care.

Mr. David Cameron (Witney) (Con): The Prime Minister told us that he would deliver honest government, that he would be open, that he would end spin and restore trust, and that he would deliver competence. After the events of the last few days, can he honestly stand there and say that all over again?

The Prime Minister: That is why I have acted immediately to set up two inquiries. All of us on all sides of this House have an interest in integrity in the funding of political parties, and we should do everything in our power to ensure that political party finances are transparent and that everything is above board. That is why what happened was completely unjustifiable. It has got to be investigated as a matter of urgency. Two internal inquiries have been set up within the Labour party, and the Electoral Commission will investigate. I am determined to make sure that political party finances are above board.

Mr. Cameron: The Prime Minister says he must do everything in his power, and he said yesterday that unlawful acts have taken place, so has he asked the police to come in to investigate?

The Prime Minister: That is a matter, as the right hon. Gentleman should know, for the Electoral Commission. The commission has announced an inquiry into this matter. We reported the matter to the Electoral Commission; we have told it that we are setting up two separate inquiries. The commission will run an inquiry and it is its decision as to whether the police are brought in. We are happy to co-operate in any way because, in my view, this is something that has to be cleaned up in the interest of the whole of public life, and I am determined to take that action.

Mr. Cameron: The Prime Minister is wrong—it is not the exclusive competence of the Electoral Commission. I am asking him a simple question: if he thinks that something unlawful has happened, does he not have a duty to call in the police himself?

The Prime Minister: Under every convention, we report the matter to the Electoral Commission, which was set up under a law that we passed with the support of the other parties in the House. The Electoral Commission will decide whether the matter is for the police and we will co-operate in any way possible with it, the police or both. I say to the right hon. Gentleman that it is in everybody's interests for action to be taken against something unjustifiable. The procedures that were followed were not acceptable and any necessary changes in the law will be made. I believe that all parties have an interest in sorting that out.

Mr. Cameron: The public will see the Prime Minister wriggling—*[Interruption.]*

Mr. Speaker: Order. The right hon. Gentleman will be heard.

Mr. Cameron: Thank you, Mr. Speaker.

Mr. Dennis Skinner (Bolsover) (Lab): Lord Ashcroft!

Mr. Speaker: Mr. Skinner, be quiet, you know better. *[Interruption.]* Order. The hon. Gentleman is out of order and he knows it.

Mr. Skinner: I can't hear him.

Mr. Speaker: Order. I can hear.

Mr. Cameron: We learned this morning that Jon Mendelsohn, whom the Prime Minister appointed, knew for a month about a situation that the Prime Minister called unlawful and unacceptable. How can that person possibly still be in post?

The Prime Minister: Mr. Mendelsohn has issued a statement clarifying what happened. On 3 September, he started employment in the Labour party. He has had no involvement in the donations that have been made. Those donations were happening for four years before he took office. That is why the investigation that should take place is the one that I have set up internally in the Labour party. The inquiry will be led by Lord Harries and Lord McCluskey, a senior High Court judge and a retired Bishop of Oxford. *[Interruption.]* We will do everything in our power, as the terms of reference have said, to show that the standards that will be followed in future are acceptable in every area of public life.

Mr. Cameron: So is the Prime Minister telling us that Mr. Mendelsohn knew and did not tell either the Prime Minister or the police? Is that acceptable?

The Prime Minister: If I can put the right hon. Gentleman right, Mr. Mendelsohn says in his statement, which has just been issued, that he was led to understand by the general secretary of the party that this had been cleared with the Electoral Commission. That was the issue before him. He also says that he was unhappy in principle with those arrangements, and that he had approached one of the people involved and was seeking a meeting to sort matters out.

Mr. Mendelsohn started on 3 September. He was involved in none of the donations that were made. He is not the registration officer reporting to the Electoral Commission, but of course, if anything untoward has happened in that respect, it will be a matter for the inquiry and we will take whatever action is necessary to sort the matter out.

Mr. Cameron: I have to say that the Prime Minister's explanation beggars belief. It takes us to questions about the Prime Minister's own integrity. Does he expect us to believe that someone whom even Labour Members believe to be a control freak was preparing for an election, sorting out the finances, sitting around the table with everyone who is caught up in the scandal, yet did not have the first idea about what was going on?

We have had 155 days of this Government: disaster after disaster, a run on a bank, half the country's details lost in the post and now this. The Prime Minister's excuses go from incompetence to complacency and there are questions about his integrity. Are not people rightly asking, "Is this man simply not cut out for the job?" *[Interruption.]*

The Prime Minister *rose*—*[Interruption.]*

Mr. Speaker: Order. The Prime Minister, too, must get a hearing.

The Prime Minister: The Labour party—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: Our party introduced legislation in 2000 to restrict foreign donors, register donors, have a comprehensive framework for elections and have an Electoral Commission, and we are ready to take any further measures. I hope that there will be all-party support so that everything in party politics is above board, including the use of third-party sources for donations.

As for competence, I remind the right hon. Gentleman that in 1992, he sat there when interest rates reached 15 per cent. Competence is the lowest interest rates for a generation, the lowest inflation for a generation, the highest employment for a generation, doubling investment in the health service, a minimum wage and properly financing education. We will continue to do our best by the country. *[Interruption.]*

Mr. Speaker: Order.

Kali Mountford (Colne Valley) (Lab): While we let the hot air settle, may I tell my right hon. Friend that wind farms are enormously popular in my constituency, with 80 per cent. of people responding to a survey saying that they think they are attractive, produce clean energy and tackle global warming? Will they have to continue to wait for the planning process to produce the wind farm that they want? Will we have to wait and listen to the windbags—[Hon. Members: "Hoorah!"]—or will we get a wind farm?

The Prime Minister: I hope that all parties in this House will support the development of wind turbines, both offshore and onshore. That is the only way to meet our target for renewable resources, if it is going to be as high as the European Commission proposes it to

be. I believe that there is a duty on all parties in all areas of the country to consider the development of wind turbines.

Dr. Vincent Cable (Twickenham) (LD): The House has noticed the Prime Minister's remarkable transformation in the past few weeks from Stalin to Mr. Bean *[Laughter]* creating chaos out of order, rather than order out of chaos. But amidst the administrative bungling and even the sleaze, does he not accept that the most damaging remark over the past week came from the services chiefs, when they accused him of wilfully neglecting the safety and welfare of the young men and women who serve in our armed forces?

The Prime Minister: At every point in the job that I am in, I will do everything in my power to defend and protect the security of our armed forces. I have to tell the hon. Gentleman that the defence budget is rising every year and will continue to rise, and that when we came into power the defence budget in Britain was the fifth largest in the world. It is now the second largest in the world. As for housing, we are spending £5 billion over the next 10 years on armed services accommodation, more than at any point in the history of the armed forces—*[Interruption.]*

Mr. Speaker: Order. Before the hon. Gentleman rises, you have got to be quiet, Mr. Russell.

Dr. Cable: We know about the defence budget, because the Prime Minister signed £5 billion-worth of cheques for the Iraq war, but is not the truth at the end of it that the troops lack adequate equipment, adequate medical care and adequate accommodation? Is not the underlying truth that where the armed forces are concerned, fundamentally, the Prime Minister is not interested and does not care?

The Prime Minister: The chief of the armed services gave a briefing last week, saying that we were better equipped than ever before. That is why we have not only invested the money from the defence budget but, in order to meet the urgent operational requirements of our armed forces, particularly in Iraq and Afghanistan, invested an additional £6.6 billion above the defence budgets that have been announced. Whether it be for tanks, helicopters, night vision equipment, specific help for individual members of the armed forces in contacting their relatives or accommodation at home, we will continue to do everything in our power to help our armed forces do their duty.

Q2. [168572] **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): In my local authority, the £300 million plus Building Schools for the Future programme is considered vital to accelerate the improvement of educational standards in the borough. Can my right hon. Friend reassure me that none of the money earmarked for that programme will be diverted to pay for schools providing surplus places in areas where they are not needed?

The Prime Minister: I think that my hon. Friend is referring to the debate that is now being held in the House between those who want to spend the £4.5 billion that has been allocated on Building Schools for the Future, which would renovate existing secondary schools and then primary schools, and those who want to divert the money from promises already made to secondary schools into building additional academies beyond the 400 that have been provided for. I believe that existing schools, to which commitments have been made, should have the investment made within them. This affects almost every constituency in the country, and perhaps the Conservative party should think again.

Q3. [168573] **Sir Michael Spicer** (West Worcestershire) (Con): How were the public moneys lent to Northern Rock funded? Where in particular did the Bank of England suddenly find a spare £25 billion?

The Prime Minister: As the right hon. Gentleman—[HON. MEMBERS: "He is not."] As he will know, the Bank of England will make funds available in certain circumstances at the behest of the Treasury, by its agreement. That is what happened in relation to Northern Rock. I again ask Opposition Members to think again. They said at the beginning that they were overwhelmingly in favour of putting the money into Northern Rock. Last week, they said that they were against it. I believe that the weight of opinion in the country is that it was the right decision to save that company.

Mr. Eric Illsley (Barnsley, Central) (Lab): My right hon. Friend will be aware that there have been allegations from Members on this side of the House that a lot of the problems relating to binge drinking stem from supermarkets selling alcohol at too cheap a rate. The Licensed Victuallers Association now has documentary proof that certain supermarkets are selling alcohol at the cost of production. Will my right hon. Friend join me in condemning our supermarkets for selling alcohol so cheaply?

The Prime Minister: My hon. Friend might know that, last Wednesday, we held a seminar with members of the retail industry and also with people from the production industry—the brewing industry and the drinks industry—and people who are concerned about what is happening as a result of binge drinking. One of the concerns that was raised was the price of alcohol. Another was the special promotions that were being done by the supermarkets. Another was the intensive advertising by supermarkets, which is encouraging young people in particular to buy substantial quantities of drink. We also looked at whether the drinks industry could run promotion campaigns to educate young people about the dangers of binge drinking. We will be publishing a paper suggesting changes in the next few weeks.

Q4. [168574] **Mr. Michael Ancram** (Devizes) (Con): In the face of the recent crises that have beset the Prime Minister, particularly this last one, he has told us that he learned about them only at the last possible moment. Why does he think that members of his Government—and, indeed, of the party that he purports to lead—are apparently so intent on keeping him in the dark?

The Prime Minister: When we have acted, whether it be on terrorism, on foot and mouth or on floods, we have acted when it has been necessary to do so and

never refused to act. On party political issues, I will tell the House what I said yesterday: I first knew about this on Saturday evening, and I acted immediately.

Q5. [168575] **Natascha Engel** (North-East Derbyshire) (Lab): North-East Derbyshire has seen a massive rise in youth employment and training since 1997. What is my right hon. Friend doing to ensure that all young people, especially those who have dropped out of all formal education, are given exactly the same opportunities?

The Prime Minister: I believe that it is right that every teenager should have some training so that they can get jobs for which they are employable. That is why, when we bring forward our measures to expand apprenticeships, to raise the education leaving age for people in part-time or full-time training or education to 18, and to increase the amount of funding for the new deal to enable it to help young people, I hope that there will be all-party support for those measures.

Sir Peter Tapsell (Louth and Horncastle) (Con): As he wanted so much, and for so long, to be Prime Minister, has the right hon. Gentleman been reflecting on the advice of an earlier, more successful, dealer in gold, King Midas, who warned that we should be careful what we wished for, as we might receive it in a poisoned chalice? Or is he planning to pass the chalice to his charming deputy?

The Prime Minister: I have had debates across the House with the hon. Gentleman over the years, and he has always been very generous in his comments to me until now. I hope that we can continue to agree that this job is an important job, and I will do it to the best of my ability.

Q6. [168576] **Charlotte Atkins** (Staffordshire, Moorlands) (Lab): Will the Prime Minister congratulate the UK world skills team, including Jonathan Bourne, who achieved the medallion of excellence and works for a building company in my constituency? Does that success in the skills Olympics and the Government's massive expansion of apprenticeships and quality training indicate that in future young people will be able to fill the 600,000 vacancies in our economy and also improve not only their skills, but their job prospects as well?

The Prime Minister: My hon. Friend is absolutely right and I congratulate the company in her constituency and its workers who have done so well. The skills Olympics will be held in Britain. We are determined that, at that point, we will have increased the number of apprenticeships, as my hon. Friend says, so that we can meet the vacancies that exist in our economy. There are 600,000 vacancies at the moment and I want young British apprentices to get the chance to fill them.

Mr. Don Foster (Bath) (LD): The Prime Minister may be aware of the recently launched Take Tourism Seriously campaign, but do the Government take tourism seriously? If so, why have they further cut the budget of VisitBritain by £17 million over the next three years?

The Prime Minister: I think that the hon. Gentleman will know that over the past few years, particularly when there have been difficulties, we have put more money into tourism to help the tourist industry flourish. I think that he can see that the numbers of people coming to this country—despite some of the difficulties we have had with terrorism and foot and mouth—reflect the intensity of the advertising, and we will continue to do that.

Q7. [168577] **Mr. David Chaytor** (Bury, North) (Lab): Will the Prime Minister congratulate Kevin Rudd, the new Labour Prime Minister in Australia, on his recent sweeping election victory and particularly on his speedy decision to ratify the Kyoto protocol? In view of this week's UN report calling for an 80 per cent. cut in CO_2 emissions, will Britain and Australia now stand shoulder to shoulder in the war against climate change?

The Prime Minister: I have had the privilege of being able to congratulate Mr. Rudd on his election as the Prime Minister of Australia and I have also phoned the outgoing Prime Minister, Mr. Howard, to thank him for his work in the international community over the past 12 years. Mr. Rudd has announced that he is going to sign the Kyoto treaty immediately, which is in line with what we have done, and he has said that he will lead the way with us in seeking a post-2012 Kyoto agreement. I look forward to working with him against Conservative policies.

Q8. [168578] **Andrew George** (St. Ives) (LD): Given that there are many constituencies like my own, which incorporates west Cornwall and the Isles of Scilly, where last year five times as many properties were sold to second-home buyers as to first-time buyers, does the Prime Minister really think that it helps to give further millions in capital gains tax cuts to the wealthy to buy and have their second homes when many thousands of local families are desperate for and cannot afford their first?

The Prime Minister: But surely the answer is to build more homes, so I hope that the hon. Gentleman will support the plans that we have set down to raise the amount of house building in this country to 240,000 houses a year and to build 3 million homes by 2020. I know that building more homes is not a popular policy in the Conservative party, but to get affordable housing in every constituency, we need to build more homes. That is what we will do.

Q9. [168579] **Mr. Khalid Mahmood** (Birmingham, Perry Barr) (Lab): Will my right hon. Friend join me in congratulating the Secretary of State for Innovation, Universities and Skills and the Department for Work and Pensions on changes to the 16-hour rule that will allow young people on jobseeker's allowance into full-time training? That will allow institutions such as the South Birmingham college construction centre, which has a waiting list of 2,000, to get people on to training and then into employment.

The Prime Minister: We are trying to remove every barrier to young people getting the chance of both training and jobs. Given the creation of educational maintenance allowances in addition to the removal of

that aspect of the 16-hour rule, I still hope that all parties in the House will support our belief that every young person should have the chance to get at least some education until 18. The difference between us is that we believe in opportunity for all until 18 while the Opposition believe in opportunity just for some.

Mr. John Gummer (Suffolk, Coastal) (Con): The Prime Minister told us that his decision not to call an election had nothing to do with the polls. He also told us that his change of policy on death duties had nothing to do with Conservative party policy, so why should we believe his account of the dodgy donors?

The Prime Minister: Because I do what is in the best interests of the country, and am prepared, with my colleagues, to make difficult decisions even when it is uncomfortable to do so. I think the right hon. Gentleman will recognise that during the year we have made difficult decisions, such as those on public sector pay, to get the rate of inflation down. That is why we, unlike many other countries, can look forward to stability and growth.

Q10. [168580] **Ian Lucas** (Wrexham) (Lab): An increase in the number of apprenticeships is a key component of increasing the competitiveness of the United Kingdom economy, but some young people may be deterred from taking them up because of the very low rates paid by some employers. Will my right hon. Friend ask the Low Pay Commission to investigate whether there is any evidence that young people are being deterred, and if there is, will he extend the minimum wage regulations to cover all apprenticeships?

The Prime Minister: I will certainly ask the Low Pay Commission to examine the matter. Although it is independent, it will examine matters relating to the employment of young people as well as the elderly. I believe that our decision to create a minimum wage in this country is one of the biggest decisions by the Labour Government over the past 10 years.

Since we came to power we have increased the number of apprenticeships from 50,000 to 250,000. *[Interruption.]* The Conservative party does not like hearing about the successes with apprenticeships. The number will rise to 500,000 over 10 years. That is what the future of our country is based on. We will look at the remuneration and the education and training of young people, so that we can have the best training in the world.

Sir Patrick Cormack (South Staffordshire) (Con): What does the Prime Minister want for Christmas?

The Prime Minister: I want to—*[Interruption.]* I might have one day off.

Q11. [168581] **Miss Anne Begg** (Aberdeen, South) (Lab): After the fire on the Thistle Alpha offshore platform on Sunday, the Scottish First Minister said that health and safety should be devolved to the Scottish Parliament. Well, there's a surprise. Would it not be better to concentrate on increasing the prosecution rate and the penalties for those in breach of health and safety legislation for the whole United Kingdom than to pick political fights?

The Prime Minister: As an Aberdeen Member, my hon. Friend has taken a big interest in the matter, and as she knows, a private Member's Bill concerned with those very issues has been before the House during the past year.

With the expansion of the oil industry over the past 30 years, we have taken health and safety issues very seriously. I believe that whenever incidents have raised questions we have acted immediately—and that is true of all Governments. I understand that proposals are on the table for an extension of the health and safety legislation in this area and for more intensive and higher standards, and I believe that the proper place in which to consider such matters is this United Kingdom Parliament.

Mr. David Jones (Clwyd, West) (Con): It would appear that Baroness Jay was aware of the illegal nature of Mr. Abrahams's donations to the Labour party long before the Prime Minister himself. Can the Prime Minister tell us which of his Cabinet colleagues shared her knowledge at the relevant time, or is it sub judice?

The Prime Minister: That is not, I believe, what Baroness Jay said, but the hon. Gentleman's question will be a matter for the inquiry, which will examine all issues relating to this matter. Surely the right thing to do when a problem arises is to investigate it in detail, deal with it, change the procedures if necessary and, if necessary, reform political party funding—which we are prepared to do.

Q12. [168583] **Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): The whole country, apart from the Opposition, will be pleased with what the Prime Minister has told us today about the inquiries that he intends to bring about. *[Interruption.]*

Mr. Speaker: Order. Hon. Members must let the hon. Gentleman speak.

Mr. Purchase: Equally, the whole country would wish the terms of that inquiry to be widened, and perhaps to fill four or five "Panorama" programmes with the audit trail of the Ashcroft money. Will the Prime Minister do that?

The Prime Minister: We agreed the Political Parties, Elections and Referendums Act 2000 as a matter of consensus. There was a consensus in 2000 about the things that needed to be done. I hope that we can proceed to make reforms—including reforms relating to donations from third-party agencies and the timing of donations involving local political finance—by agreement, and I hope that the right hon. Member for Witney (Mr. Cameron) will change his mind about running away from the party talks that were involved in solving this problem.

Mr. Roger Gale (North Thanet) (Con): Precisely when did the Prime Minister's Leader of the House first learn of the illegal donations to the Labour party?

The Prime Minister: The Leader of the House has made it absolutely clear that the criteria on which she judged donations—[Hon. Members: "When?"] I am

explaining this. The criteria were whether the people giving donations were known to her campaign team or were registered with the Labour party. There is not an iota of evidence to suggest that at any time until Saturday the Leader of the House knew that the donation was being given by a third party.

Q13. [168584] **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that although the Government have done a great deal for pupils with special educational needs up to the age of 16, there is still a real challenge post-16, and particularly post-18, for young people with severe special educational needs, mental health problems and disability? When will we do more for that group, their carers and their families?

The Prime Minister: We have set up a review into exactly that matter—the special needs of young people and particularly children at school. I believe, again, that there should be all-party consensus about what needs to be done. Let me repeat: our policy is educational opportunity for everyone until 18, not just for some.

Mr. Speaker: Order. A deferred Division is under way in the No Lobby. The pink voting papers were not circulated in the usual way with the Order Paper, but they have been made available to Members in the Vote Office. They are also available in the Lobby.

Middle East

12.31 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): With permission, Mr Speaker, I will make a statement on the middle east peace process, following the Annapolis conference, which I attended yesterday at the US naval academy in Maryland.

For several years there has been neither peace nor a peace process in the middle east. Insecurity for Israelis and the suffering of Palestinians have fed off each other, deepening divides and fomenting mutual distrust. The conference represents a determined attempt by both sides, and by the United States, to break the cycle of violence and discord. Its significance comes as much from the attendance list as its immediate results; representation from nearly 50 countries showed the degree of concern about the current situation as well as the consensus for action.

As I pointed out in my contribution yesterday, in 1993 at the signing of the Oslo accords the late Prime Minister Rabin talked of an atmosphere of hope tinged with apprehension; today in the region there is an atmosphere of apprehension tinged with occasional hope. Yesterday represented one such ray of hope, but the context of extremism, terrorism and the dangers of nuclear proliferation provides a spur to action. All present understood that the Annapolis conference could be a success only if it was the start, not the end, of a new drive for peace based on the vision of two states, Israel and Palestine, living side by side.

There is now for the first time a clear and shared goal. To quote from the joint understanding read out at the beginning of the meeting by President Bush, it is

"to immediately launch good faith bilateral negotiations in order to conclude a peace treaty resolving all outstanding issues, including all core issues without exception, as specified in previous agreements."

UN resolutions 242 and 338 provide the agreed foundation for progress.

There is also a timetable. Today, the parties will meet at the White House; a joint steering committee will meet continuously from 12 December; President Abbas and Prime Minister Olmert will continue their bi-weekly meetings; there will be an international donors conference in Paris on 17 December; the Russian Foreign Minister has offered Moscow as the venue for a review conference by the end of the first quarter of 2008; and I offered London as the venue for a meeting after that. Crucially, there is an end date. All agreed that these negotiations should seek to conclude by the end of 2008.

There is also a follow-up: the parties have committed themselves to implementing their respective obligations under the road map and have agreed to a US, Palestinian and Israeli mechanism, led by the US, to follow this up. The US has committed itself to monitoring and judging the fulfilment of these conditions. That means an end to settlement construction, the removal of outposts constructed after March 2001 and renewed efforts on security in the occupied territories.

The rest of the international community will have a vital role to play. We know that peace and prosperity depend on each other. We need a massive upgrade in our collective effort. I am pleased to report that the UK is in the lead. First, we have committed up to $500 million to the Paris donor conference, the first country to do so. That will stand alongside European and American commitments. We look forward to working with Arab colleagues on an Arab economic initiative side by side with the important Arab peace initiative.

Secondly, our priority is to help to build effective national Palestinian security forces. We have been involved in that effort for several years now. We commit our people, resources and experience to making a difference on the ground. In Nablus, in Bethlehem and in Jericho—where I saw raw recruits for myself 10 days ago—the fight for security is the fight for legitimacy and hope for the Palestinian people. It is often unglamorous, it is always hard and it is absolutely necessary. President Abbas and Prime Minister Fayyad are committed to the task, and we will support them.

Thirdly, we need to support the parties as they strive for success. Prosperity driven by the private sector needs reform driven by the public sector. That is why the reform and development plan prepared by Prime Minister Fayyad is so important as a statement of intent—about clean government, about responsible budgeting, and about politics based on promises that are made to be kept. That will bear fruit only if Palestinians are given the freedom to work, to trade and to reap the benefits of commerce. The efforts of Tony Blair are vital in that regard, and the announcement last Monday of four projects, with Defence Minister Barak and Prime Minister Fayyad in support, is an important step forward.

Fourthly, we must not lose sight of Gaza, an integral part of a future Palestinian state. Continuing rocket fire into Israel by extremist groups within Gaza is a reminder of the dangers Israel faces. However, the deteriorating humanitarian situation is a real cause for concern. The UN Secretary-General spoke forcefully to that issue yesterday and we support his efforts to ensure that the interests of the civilian population are not forgotten.

Fifthly, our immediate focus must be on Israel and Palestine. But any peace must be comprehensive. The current situation in Lebanon vividly illustrates the need for a wider settlement. The prize is full normalisation of relations between Israel and the Arab world. I encouraged the Syrian Foreign Minister to attend the conference when I met him in New York in September, and the presence and speech of the Deputy Foreign Minister was a welcome sign of Syrian engagement.

There are, of course, plenty of reasons for people to be sceptical about the latest stage in the search for peace. Given the experience of the 16 years since the Madrid conference, we should indeed all be cautious. The road from Annapolis will be hard, but there is a real basis for engagement.

The unmatched injuries of the Jewish people and the stateless tragedy of the Palestinians make both sides fearful of compromise; but without compromise there is only fear. Thirty years ago, the late President Sadat said of his bid for peace:

"It is a chance that, if lost or wasted, the plotter against it will bear the curse of humanity and the curse of history."

We all have a duty to do what we can to challenge the sceptics, to prove them wrong, and to help Palestinians and Israelis live out their common humanity.

Mr. William Hague (Richmond, Yorks) (Con): I thank the Secretary of State for his statement and express strong support for his words and for what he and his counterparts did in Annapolis. The hope that he

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expressed that the conference will give new impetus to the hope for a final settlement between Israelis and Palestinians is shared across all parties in this country and, indeed, most of the world.

We welcome the fact that the conference reaffirmed the vision of a negotiated, two-state solution based on the road map. The priority now is, obviously, to build on what momentum has been created and to address some formidable obstacles that remain. Among the greatest threats to the negotiations must be the continued refusal of Hamas to recognise Israel and renounce violence, its rejection of the conference outcome and its complete unwillingness to prevent rocket attacks against Israel. What discussions did the Foreign Secretary have about those issues, and can he explain how Gaza, which he rightly describes as an integral part of the future Palestinian state, will be approached within the negotiations?

On Israel's part, alongside the freeze on settlement activity to which the Foreign Secretary referred, does he agree that speedy progress on movement and access would make a considerable difference in improving the quality of life for Palestinians and demonstrating that the path of peace brings tangible benefits and the promise of a better life?

I have a few questions about the process going forward. The Foreign Secretary referred to a timetable for follow-up on the negotiations, including review conferences. However, little has yet been said about the timetable of the negotiations themselves, and even before Hamas came to power neither the Palestinians nor the Israelis had been able to adhere to the previous timetable. At what stage of the road map will those negotiations pick up the thread? How confident is the Foreign Secretary that a realistic timetable for negotiations will emerge, given the expressed intention of concluding a peace treaty by the end of next year?

Secondly, is the Foreign Secretary confident that there is the sustained commitment needed to push both sides towards the necessary compromises? Did he form the impression at Annapolis that President Bush and his Administration will invest the immense amount of time and political commitment necessary to move this initiative forward?

What specific role will the Quartet play in the coming months, given that the joint understanding refers only to an

> "American, Palestinian and Israeli mechanism"

to monitor the implementation of the road map? Does the right hon. Gentleman also see a role for the so-called "Arab Quartet", who have been crucial in marshalling Arab support for the peace process and proposing a basis for wider Arab-Israeli peace?

The joint understanding issued after Annapolis made no mention of the Syrian-Israeli track, although I understand that that was on the conference's formal agenda. What is the Foreign Secretary's understanding about when that track will be addressed? He referred to Lebanon, which once again is on a knife edge. What steps is Britain taking to try to ensure that the situation does not deteriorate, and that Lebanon does not spiral afresh into violence?

Finally, Iran is emerging as one of the primary causes of instability in the region. Does the Foreign Secretary share our concern that the nexus between Iran, Hezbollah and Hamas has the potential to derail the peace process? Is it not vital to intensify the peaceful and multilateral pressure on Iran, including effective financial sanctions across the EU?

Given how many tensions and potential conflicts that there now are in the middle east, is not working to resolve the difference between Israelis and Palestinians one of the highest possible priorities for the international community? Is it not the duty of us all—Governments, Oppositions and nations of every continent—to do our utmost to support that?

David Miliband: I am grateful for the right hon. Gentleman's approach to this matter, and I shall try to deal in detail with all the questions that he asked.

When I spoke yesterday at the Annapolis conference, I made the point that, although I was obviously speaking on behalf of the British Government, I believed that I was speaking on behalf of all shades of political opinion in the UK. I think that that had a resonance, and it has certainly been backed up by what the right hon. Gentleman has said today.

At the beginning of his response to my statement, the right hon. Gentleman said that there were formidable obstacles, and at the end he said that the middle east peace process must be one of the highest possible priorities. He is right on both counts.

Hamas took control of Gaza in June, and it is striking that since then there have been about 1,000 Qassam rocket and mortar shell attacks on Israel. That is a very serious security concern for the Israeli Government, but it should be a serious concern for us all. Equally, I spoke yesterday to the UN Secretary-General about the humanitarian situation in Gaza, and I have also spoken about that to various members of the Israeli delegation. From my visit to the middle east last week, I know that there are ongoing discussions between the Palestinian Authority and the Israeli Government about what is happening in Gaza. President Abbas is the elected leader of all Palestinian people and he was speaking in that role yesterday. That is why it is right that the responsibility for negotiations lies with him, as does the responsibility for deciding when and how to approach the issue of reconciliation among the Palestinian people.

Three or four months on from Hamas's takeover, and not least in light of the killing two weeks ago of six innocent civilians who were demonstrating peacefully, it is my impression that Hamas's rule in Gaza is doing nothing for its popularity among its own people. However, we should not underestimate the force of Hamas's organisation in Gaza or the strength of its structures there, and it is for President Abbas to lead that process.

The right hon. Gentleman was right in what he said about movement and access. It makes sense to deal with the security of economic projects one by one. At present, there are some 530 checks on, and other interruptions to, the movement of Palestinian people in the west bank. One approach is to try to tick them off one by one, but another is to build economic growth and tackle each of the security impediments or checkpoints around those poles of economic activity. I think that that second approach lends itself to progress.

The right hon. Gentleman asked about the timetable for the negotiations. The first meeting on 12 December will be key to setting a forward plan, and I shall be happy to keep him and the House informed about that.

In respect of the US commitment, the deep freeze of the last six or seven years has been ended by the conference. The strong words of President Bush and Secretary of State Rice, formally and informally, suggest that they realise the depth of commitment that is needed.

Mr. David Winnick (Walsall, North) (Lab): President Bush is anti-Palestinian.

David Miliband: I look forward to my hon. Friend's turning his statement into a question.

There is recognition in the United States, and in the Arab world, that the window of opportunity for a two-state solution is closing for a number of reasons. Unless the opportunity is seized now, the consequences will be very grave indeed, which is why there is not a moment to lose.

The Quartet will continue to have an important role, but the right hon. Gentleman is right to notice that the structures are being moulded to fit the new circumstances of the negotiations. The approach forged from the Quartet on to the road map required that phase 1 of the road map be completed before phase 3—the final status negotiations—started. One of the big changes at Annapolis is that that distinction has been ended and the parties will start the final status negotiations, but the Quartet has a continuing role, not least in the donors conference next week.

My hon. Friend the Minister for the Middle East will be in Lebanon in two weeks' time, and we are all waiting day by day, even hour by hour, to see the next step forward, but I agree with the right hon. Gentleman that compromise is essential if Lebanon is to avoid descent into another bloody civil war.

Many players have the capacity to disrupt the process, but I can assure the right hon. Gentleman that discussions about financial and other sanctions against Iran are ongoing at ministerial and official level among the E3 plus 3 and across the European Union to make sure that we make it absolutely clear to Iran that it has a clear choice—full engagement with the international community, including access to civilian nuclear power, or confrontation and a nuclear arms race in the middle east. The latter is not an option that the rest of the world wants Iran to take and is something it is prepared to do everything in its power to prevent.

Mike Gapes (Ilford, South) (Lab/Co-op): I, too, welcome the modest beginning of this new start. The Foreign Secretary referred several times to the situation in Gaza, and to the division of Gaza from the rest of the Palestinian Authority. What can the Quartet and our Government do to bring about the reconciliation of the Palestinian people and ensure that there is a viable two-state solution, with one Palestinian Authority governing both parts of the Palestinian territories for the benefit of the people of Gaza?

David Miliband: My hon. Friend may have noticed that on Monday the spokesman of the President of the United States said he was determined to support a two-state solution in the middle east, not a three-state solution. That certainly remains our view.

On what we can do to promote reconciliation, we have to recognise that President Abbas is the key player. One hundred and twenty-nine people—innocent Palestinians, many of them—were killed in the attempted coup in June. It is for President Abbas, as the elected leader of all the Palestinian people, to lead his people and seek the reconciliation of which my hon. Friend spoke. I am convinced that the moderate majority, in Gaza as well as the west bank, wants a clean, effective administration that can govern in the interests of all the people. That is the best way forward. The political horizon that has been established can give credibility to President Abbas, and that is the best way we can support him.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I, too, thank the Foreign Secretary for his statement and for coming to the House so soon after the conference concluded. All of us in the Chamber recognise that it was no small achievement to get everybody to Annapolis in the first place and to reach any kind of agreement as a result, so we do not want to downplay the importance of what has been achieved, but does the Foreign Secretary recognise that the brief reference in his statement to the crisis in Gaza was more than was managed in the official communiqué, and that without serious attention to the problems there no deal over the next 12 months will get anywhere? Does he agree that there is not enough in the agreement to offer any prospect of an end to the choking of Gaza's economy, which exacerbates the humanitarian crisis? Does he accept that although we all demand that Hamas satisfy the Quartet principles, not least the end of the deadly missile fire into Israel, there must be diplomacy and engagement through neighbouring Arab countries to work towards fulfilment of those criteria, not simply continuing to offer the people of Gaza international sanctions and the threat of indefinite isolation?

David Miliband: The hon. Gentleman is right to distinguish between what was agreed yesterday and the process that has been set up. He is right that the cautious promise that comes out of yesterday's meeting is about the process, and the shared goal, rather than what was agreed. The intention was not to produce a comprehensive blueprint; it was to produce a structure that could deliver a serious process that would enable us to reach the goal that we share.

In respect of Gaza—I have addressed this issue a couple of times already—there is a political leadership of all the Palestinian people. It is up to them to lead the process of reconciliation. I agree that we must be attentive to the economic, as well as the humanitarian, situation. There is hardly an economy left in Gaza. Some 60 or 70 per cent. of the people are completely dependent on UN aid. The situation with power supplies, which the Secretary of State for International Development and I addressed in our statement on 30 October, is a cause of deep concern.

It is relevant to look at the history of the period between 1988 and 1993. The Palestine Liberation Organisation went through the same debate that is going on in Gaza at the moment, about whether it was worth engaging in a peaceful process. After 1993, when the PLO decided to recognise Israel and to engage in peaceful and productive relations, we had the most intense period of peacemaking that had been seen since 1967. So, of course we must not turn our eyes away

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from the humanitarian situation, but equally we have to be clear about the real basis on which the humanitarian situation can be addressed.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): When my right hon. Friend refers to an end to settlement construction, does that include huge settlements such as Ma'ale Adumim on the outskirts of Jerusalem? What is being done about an end to the building of the illegal wall and an end to the 500 checkpoints? When he talks about Gaza, will he remember that—as I was told at a UN conference in New York, which I participated in last week—80 per cent. of the inhabitants of Gaza subsist solely on UN funds? Does he accept that, however odious Hamas is, there will be no peace until Hamas is involved?

David Miliband: My right hon. Friend speaks with real experience and authority on this issue. I am grateful for his correction. I said that 60 or 70 per cent. of Gazans were dependent on UN aid; he said that it was 80 per cent. I understand the depth of his feeling on the matter. On his last point, I certainly believe that we can get a solution only if we engage the hearts and minds of the people who voted for Hamas in the election in June. It is vital that a new Palestinian state carries legitimacy and support from all the Palestinian people.

On borders, and the settlements, which I saw when I drove from Jerusalem to Jericho, there is a critical issue about the so-called E1 part of the settlement plan. It is clear that expansion there would deal a very deep blow to the prospects of a viable Palestinian state. I believe that the basis of a deal will be around the 1967 borders and will include land swaps to deal with small items around the edge. The deal will have to be on that basis; otherwise the Palestinian state is not going to be the viable entity that we all want to see. That raises profound questions for settlement activity and for the outposts that have been have constructed since March 2001, as I said in my statement. The announcements from the Government of Israel are an important step forward in that respect. There was the statement from Prime Minister Olmert that he was determined to fulfil all the obligations under the road map. However, it is important that that is followed through.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The concession by both the Israelis and the Palestinians at Annapolis that the United States, not themselves, would in future be the judge of the implementation of the road map on security and settlements could be a historic breakthrough. However, that will obviously depend on whether President Abbas of the Palestinian Authority can deliver the security requirements in Gaza, which at the moment he cannot. Will the Foreign Secretary therefore accept that the single most important contribution that the international community—and perhaps, in particular, the Arab states of the region—could make over the next few months would be to show unambiguous support for President Abbas and to put pressure on Hamas in order to deliver the ability for progress to be made?

David Miliband: The right hon. and learned Gentleman alights on a very significant point in the statement yesterday. It is a point that I think was still being discussed late into the day and night before the Annapolis conference. It is a significant position: the United States will be the honest broker in terms of road map commitments. He is right that there is a chicken-and-egg quality to the debate. Security is the basis for progress, but political progress can enhance the efforts towards security. I completely agree that the Arab states have a critical role to play. That is why the Arab peace initiative is important. I do not know, but my impression is that, in the year 2000, when the then President Arafat was trying to decide whether to support the plan that had been brokered by President Clinton, the lack of wholehearted support from the Arab world certainly weighed in his decision—let me put it no stronger than that. If the Arab world—the 22 states from the Arab League—is now determined to recognise that a two-state solution is the best bulwark against extremism, and getting that state and building it up is the best way forward, that would be a significant change. I can assure the right hon. and learned Gentleman that, in all my discussions with Arab partners, I am trying to emphasise not just the goal, but the political strategy that is needed to get there.

Mr. Winnick: I accept entirely the genuine commitment of my right hon. Friend, but does he accept that, time and again in recent years, the Palestinians have been promised the sort of outline programme that he has described today, and yet there has been no real improvement in the lives of Palestinians, let alone a sovereign independent Palestinian state? If we were Palestinians and had suffered as they have suffered over the last nearly 60 years, would we really believe that what happened at a conference would make any difference?

David Miliband: I would go further than my hon. Friend: things have got worse for the Palestinian people. The Palestinian suffering and Israeli insecurity are two sides of the same coin. Things are worse now than they were seven years ago. If one looks back to 1967, one can see that the divides are deep and growing—not least because of the bloodshed that has happened since then. I do not know whether my hon. Friend has had a chance to look at yesterday's speech by Prime Minister Olmert, in which he graphically described the suffering of the Palestinians. That was a striking part of the discussions.

Do I understand the scepticism that people around the world will have about this process? Yes. Do I share the caution that is important in this process? Absolutely. The worst thing we can do is to say that one conference, and the agreement to a follow-up mechanism, is going to bring peace tomorrow. It is not. We have a long road ahead, and caution is the only way in which we can approach this. However, engagement is the only way in which we are going to make this work. Although our role is not as central as those of the main players—the decisions are going to have to be made by Israel and the leaders of the Palestinian Authority and the future Palestinian state—we can try to support the process, without illusions and certainly without making false promises to people who feel that they have been betrayed for too long.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): On behalf of my party and the SNP, I commend the right hon. Gentleman for the work that he has been doing in the past few weeks and wish him well in this arduous process. To be credible, the Annapolis process

will have to overcome two remaining taboos: first, that the Palestinians can deliver ongoing security to Israeli under conditions of occupation, and, secondly, that a divided Palestine can bring forth a sustainable peace. I welcome what Prime Minister Olmert said the other day about no further building, but does that mean no further settlements, or no further extension of the current 149 settlements? When will the 500 road blocks start to be removed from the west bank? I congratulate the right hon. Gentleman on his work thus far and I hope that he keeps up the pressure, because, despite the scepticism, there is a glimmer of hope, and we all hope it will come through.

David Miliband: I am genuinely grateful to the hon. Gentleman for his support. On the 500 checkpoints, a shift in relation to the first 21 was announced by Defence Minister Barak last week. That was associated with the four economic projects that Tony Blair is taking forward.

In respect of the freeze on settlements, the hon. Gentleman is absolutely right to point out that one person's freeze is another person's continuation of the settlements that have already been given planning permission. There is considerable detailed work to be done. Given the great percentages—96 or 97 per cent.—that will decide on the future of a Palestinian state, the matter may seem small, but for the people concerned, it is a big thing whether they are on the Palestinian or Israeli side. That is exactly what the detailed negotiations will have to address.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I thank the Foreign Secretary for his constructive efforts to try to bring justice to both Israelis and Palestinians. Does he feel confident that enough measures can be put in place to prevent a renewal of the terrorism that sabotaged previous attempts to find a negotiated two-state solution?

David Miliband: My hon. Friend has a distinguished record of highlighting such issues. The precise answer to her question of whether measures can be taken to provide security is yes; as to whether they will be taken, that is what we have to work towards. I am in no doubt about the commitment of President Abbas and Prime Minister Fayyad to leading the development of a Palestinian security infrastructure in which people have confidence, but we are engaged in a race against time.

Mr. James Clappison (Hertsmere) (Con): May I join in the welcome extended to the Foreign Secretary for his remarks today, including his remark that Hamas must face up to responsibility for the rocket attacks on Israel? Nothing should prevent humanitarian aid from going to those who need it in Gaza, but is it not absolutely clear that rocket attacks do absolutely nothing to assist the people there in their suffering? Is it not time that people stopped making excuses for Hamas, and that it faced up to its responsibilities?

David Miliband: The hon. Gentleman is absolutely right: the rocket attacks do nothing for the interests of the Palestinian people. In fact, they undermine those interests. It is urgent that the whole international community, including in the Arab world, does as much as possible to prevent that. The discussions that I had in Egypt last week about the smuggling through its crossings is obviously an important part of the solution.

Jeremy Corbyn (Islington, North) (Lab): Is the Foreign Secretary confident that the talks have shown sufficient respect for the democratic process in Palestine? Apparently, Hamas is not represented at the talks, and there have not been any direct representations from or to it. Whatever one thinks of Hamas, clearly it is a factor. It also has a large number of elected parliamentarians, many of whom are currently in prison in Israel. Is it acceptable for an occupying power—that is, Israel—to imprison a large number of elected parliamentarians and then pretend that it is undertaking negotiations to bring about peace? Is he confident that the parliamentarians will be released soon?

David Miliband: In respect of the arrested parliamentarians, I am happy to say that I agree with my hon. Friend that the situation is not acceptable. As I made clear in the House in July, we have serious concerns about the issue. The parliamentarians need to be either charged or released—and some of them have been. I will get the precise figures on what has happened to the 44 who were originally arrested. I do not have in my head the precise number who have been released or charged, but I will certainly write to my hon. Friend about the matter. On whether I am confident that President Abbas represents the aspirations of the Palestinian people, the answer is yes. On whether I recognise that there is deep division within the Palestinian community, the answer is yes. On whether it is the job of political leadership to overcome that division, the answer is also yes.

Mr. Crispin Blunt (Reigate) (Con): The Foreign Secretary spoke hopefully about the weakening of Hamas in Gaza, following the isolation of Hamas and the blockade of Gaza, and about conditions there. Is it not an irony that although there is a significant difference between Hamas and Salafist movements such as al-Qaeda, recent polls indicate that the ambition of 71 per cent. of Palestinian children in Gaza is to become a martyr, so we are in danger of driving people from supporting Hamas to supporting something a whole lot worse?

David Miliband: The hon. Gentleman is right that there are grave dangers. One of the important points that I discussed with Israeli counterparts in the past 10 days is the fact that the alternative to President Abbas and Prime Minister Fayyad is a very dangerous one. That is why we need to make progress with the current Palestinian leadership. The hon. Gentleman is right to say that the battle for the hearts and minds of young Palestinians—Palestine has a very young population, along with many other Muslim countries—is key. First, the way forward on the issue has got to be through addressing conditions on the ground. An immiseration strategy is no strategy for winning hearts and minds. That is why the humanitarian concerns are important. Secondly, the political horizon is important, too. There has to be a combination of change on the ground and a political horizon in which people can believe, with leaders who can deliver; that, in the end, is the way to win them back.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): The Foreign Secretary has re-expressed the British Government's view that all the settlements—not just those that Israel regards as illegal under its law—are an obstacle to peace, in that they preclude the two-state solution. Thus far, in its agreements with Israel, the European Union has always maintained its position on which parts of the territory are Israel, and which are

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not. Can the Foreign Secretary assure me that that line will be maintained until there is an agreement between the Israelis and the Palestinians, which may slightly alter the position?

David Miliband: I am happy to confirm that there is no change in our positions. The key is detailed negotiations between the parties. There are dangers in saying that it is up to the parties to take the issue forward on a bilateral basis, but in the end the compromises and the leadership will have to come from the leaders of Israel and the leaders of a future Palestinian state. As was pointed out by the former Foreign Secretary, the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), the role of the United States as an honest broker is a shift—it has never played that role before—and the facilitation, encouragement and drive that will have to come from the international community will have to be subtle and careful. Detailed discussions about settlements and land swaps, given the basic parameters that were set out in 2000-01, remain to be held.

Steve Webb (Northavon) (LD): If it was right in principle for successive Governments to talk directly to the political representatives of terrorist groups in order to achieve peace in Northern Ireland, why is it not right in principle for the international community to talk to the political representatives of Hamas?

David Miliband: There are many lessons from Northern Ireland that it is worth trying to apply around the world, not least as regards policing, but one distinction that the hon. Gentleman might want to think about when answering his own question is the distinction between the Provisional IRA and the Real IRA; that distinction emerged as an important part of the peace process in the past 10 years. The deep debate within the Palestine Liberation Organisation between 1988 and 1993 led it and its supporters to conclude that a peaceful process was the only way forward. Hamas has not yet made that move, so the hon. Gentleman should be careful about suggesting that there is an exact parallel between Northern Ireland and Palestine to support his case. However, I am happy to continue this discussion with him.

Mr. Andrew Dismore (Hendon) (Lab): My right hon. Friend was correct to draw attention to the hundreds of rocket attacks from Gaza, including one on a primary school in Sderot on 11 September. Hamas also used a UN school as a launch pad in Beit Hanoun in October. Will he confirm that if Hamas is to be involved in the process, the three previous preconditions must stick, including the requirement that it ceases violence and terrorism against Israel?

David Miliband: Yes, but I am sure that my hon. Friend would agree that we do not want to get into a position in which Hamas's deliberations become a veto or a block on the political dialogue. An agreement hammered out by President Abbas and put to all the Palestinian people can trump the Hamas card, because in the end the Hamas argument is either, "No one will deliver a Palestinian state to you," or "We're the only people who can deliver a Palestinian state to you." If President Abbas is able to do that, that is the best way to undercut Hamas.

Tony Baldry (Banbury) (Con): The International Development Committee visited a soap factory in Ramallah piled high with simple olive oil soaps. It simply could not get those soaps out of the west bank because of the security checks and so on. No one should kid themselves that getting trade and jobs going in the west bank will not require someone with authority to broker a deal. Is that Tony Blair's task? If so, that is very welcome, because if the United Nations Relief and Works Agency cannot deliver it, no one else will be able to do so. It will require someone with a capacity for mediation to kick-start the west bank economy.

David Miliband: The hon. Gentleman makes an important point. It was notable that yesterday, the European commissioner, Benita Ferrero-Waldner, talked about the release of some cut flowers and dried fruits. Perhaps I can refer to her the question of the soap factory that the hon. Gentleman raised. The former Prime Minister, Tony Blair, has focused on new economic projects, but I am sure that he has included in his discussions existing economic projects that are blocked. I am certainly happy to draw to the attention of the relevant authorities the case that the hon. Gentleman raised.

Tony Lloyd (Manchester, Central) (Lab): The whole House will appreciate the Foreign Secretary's cautious realism. May I ask him a specific question about the role of the Arab states? It is obvious that they have influence even on Hamas, and can be influential in making sure that Lebanon is contained, which would be helpful. How much did public opinion in those Arab states feature in those discussions because, in the end, it is important that Arab public opinion plays a role to make sure that Arab states have the freedom to act progressively and constructively?

David Miliband: My hon. Friend makes a very profound point. The position of Arab public opinion featured more in the informal discussions than in the formal ones. There is growing recognition of it in the leadership that Saudi Arabia has provided, for example, in the Arab peace initiative, and in the determination of the Egyptian Foreign Minister, who happened to be on the same overnight plane as me, so I had a chance to have a further discussion with him following my meeting with him last week. There is recognition of the fact that public opinion needs to know that the delivery of a Palestinian state is a viable prospect, because without that there is a threat to the stability of the whole region, which is extremely dangerous for all the countries concerned.

Sir Nicholas Winterton (Macclesfield) (Con): While I personally perceive the meeting between Prime Minister Olmert, President Abbas and President George W. Bush as tremendously encouraging, does the Foreign Secretary not agree that the major responsibility—security and Hamas are clearly critical, and that is President Abbas's responsibility—is the decisions made by the Israelis, which will make or break any future peace agreement? The settlements, the wall and the Palestinians' freedom to trade are critical to progress.

David Miliband: The hon. Gentleman is right that they are critical to progress, but it takes two to tango in this process. We will need many, many steps by both sides. He used the phrase "make or break", and the frightening thing is that there are many things that could break this process. There are plenty of wreckers

and plenty of difficult compromises that could wreck the process, so it is right to be cautious. However, there is symmetry to the issue: the Palestinians' suffering and the Israelis' insecurity are two sides of the same coin, and both need to be addressed.

Richard Burden (Birmingham, Northfield) (Lab): May I congratulate my right hon. Friend on a perceptive and balanced statement? I endorse what he said about President Abbas being the president of all Palestine, and that it is up to the Palestinians themselves to lead their own process of reconciliation. Does he agree, however, that the international community has a role in not making matters more difficult—something that I fear that we did after the election of Hamas in 2006 and up to the events of June 2007? Will he clarify the fact that the important freeze on settlements includes the E1 plan, which is of tremendous significance in the west bank?

David Miliband: On the latter point, I am sorry if what I said earlier sowed confusion rather than clarity. I am absolutely clear that the extension of settlements into the E1 area would set back the process of building a viable Palestinian state, and I will check the record to make sure that I have not suggested the opposite. My hon. Friend is right that the international community must not make things worse—I hope that we can aspire to do better than that—but we should probably save for another occasion a longer discussion of the history of how we got here. As for how we move forward, there is a process in place: it is the only game in town, and I suggest that is where we should focus our efforts.

Michael Fabricant (Lichfield) (Con): The Foreign Secretary and other right hon. and hon. Members rightly raised the question of rockets, 1,100 of which have been fired in the past 12 months, resulting in more than 300 injuries and 15 deaths. Whatever we think about the security fence—in many ways, it is odious—it has served to protect many Israelis from suicide bombings, which have not taken place in Israel for many months. The Foreign Secretary alluded to the talks with Egypt on the smuggling of arms into Gaza. Will he amplify precisely what has been agreed, because smuggling is a major cause of destabilisation?

David Miliband: I am sorry to disappoint the hon. Gentleman, but I cannot provide that amplification, because while we have had discussions, to suggest that they were negotiations would probably go beyond the United Kingdom's remit. What I do know is that the countries of Egypt and Israel are in intensive discussions about the issue. It is not a new issue—smuggling has gone on for a long time—but I gained the impression that there was a real commitment on both sides to try to address it, because it is not in either side's interest.

Dr. Brian Iddon (Bolton, South-East) (Lab): Hospital consultants in Gaza are regularly reduced to tears, because they are losing increasing numbers of patients, including extremely young children, whom they know they can save. There is a lack of equipment, as well as basic medicines, and intensive care cots of children are broken. The doctors accompany very sick patients to checkpoints only to watch them die there. Will my right hon. Friend therefore make a pledge to the House that he will do everything in his power to open safe passages for those sick patients either to the west bank or to Israeli hospitals, so that those lives can be saved?

David Miliband: My hon. Friend makes the important point that while the words "humanitarian tragedy" can seem antiseptic or clichéd, there is real life-and-death suffering. I am certainly happy to follow up any particular cases that he wishes to raise, but I can assure him that when we talk about humanitarian tragedy, whether with the UN or with any of the other bodies involved, we bring it down to the human scale, and that is what he has done.

Mark Pritchard (The Wrekin) (Con): Does the Foreign Secretary agree that any final settlement on a two-state solution can be realised only if Israel's security is guaranteed? If he does, would he consider a new innovation and extend an invitation to Israel to become a member of NATO so that its future security is guaranteed?

David Miliband: It is shared ground on both sides of the House that the security of the state of Israel is half the bargain—the other half is a viable Palestinian state. When I was in Israel—this may disappoint the hon. Gentleman—I discussed the matter with the Prime Minister and the Foreign Minister, and they were much more interested in joining the European Union than they were in NATO.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Earlier, my right hon. Friend made a distinction between those who vote for Hamas and Hamas itself. Does he accept that Hamas is as much a social movement as it is a political movement, and that in bringing about a reconciliation, while it is important that President Abbas plays a pivotal role, everyone else, including the Arab states, the EU and the UN has a role to play in bringing about reconciliation, otherwise we will end up with a three-state solution by default rather than the two-state solution that we would like?

David Miliband: My hon. Friend makes an important point. I am not sure about the term "social movement", but it is certainly the case that Hamas provides an infrastructure of support that has been recognised by some of the Palestinian people in Gaza. Hamas has certainly fed off the sentiment that corruption in the Palestinian Authority is a real source of injury to the Palestinian people, and in that sense I very much agree with his comments.

Martin Linton (Battersea) (Lab): On the question of settlements, does my right hon. Friend agree that Prime Minister Olmert needs to promise not just an end to the construction of new settlements and expansion outside the boundaries of existing settlements—I understand that that is all that he has promised so far—but a complete end to all construction within existing settlements and the release of areas for future settlements such as the E1 area that my right hon. Friend mentioned, if he wants the talks to succeed? It would not be fair to expect Palestinian politicians to negotiate while construction is still under way.

David Miliband: There are confidence-building measures to do with what happens to the settlements in the short term but, in the end, this is about the borders of a Palestinian state and the borders of Israel. We face the prospect that over the next year those issues can be addressed in detail, and that is the best way to get this sorted out once and for all.

Point of Order

1.18 pm

Greg Clark (Tunbridge Wells) (Con): On a point of order, Mr. Speaker. As you know, the Minister for the Cabinet Office is responsible for information assurance across government. In July, he received a report, relevant to our forthcoming debate, that was critical of the Government's preparedness. I tabled a parliamentary question last Thursday, scheduled for reply yesterday, asking when he read that report and what action he had taken. Last night, I was given a holding answer. Can you advise me, Mr. Speaker, why it should take five days for a Minister to search his memory to discover when he read a report and which actions had been taken, and how best I can get him to apply his own Cabinet Office guidelines that named day questions should be answered on the day named in the question?

Mr. Speaker: I am responsible only for my own memory, not for Ministers' memories, and it is very good indeed.

BILL PRESENTED

EDUCATION AND SKILLS

Secretary Ed Balls, supported by The Prime Minister, Mr. Chancellor of the Exchequer, Secretary Des Browne, Mr. Secretary Hutton, Mr. Secretary Hain, Mr. Secretary Woodward, Mr. Secretary Denham, Jim Knight, Caroline Flint, Malcolm Wicks and Mr. David Lammy, presented a Bill to make provision about education and training; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed. [Bill 12].

Opposition Day

[2ND ALLOTTED DAY]

HM Revenue and Customs

Mr. Speaker: We now come to the debate on the first Opposition motion. I inform the House that in both debates I have selected the amendment in the name of the Prime Minister.

1.20 pm

Mr. George Osborne (Tatton) (Con): I beg to move,

That this House is deeply concerned at the Government's failure to protect the personal details of 25 million citizens; believes this security breach is due to systemic failures at HM Revenue and Customs; notes the inconsistencies between the version of events set out by the Chancellor of the Exchequer in his statement of 20th November and that revealed by the Government emails released by the National Audit Office on 22nd November; and calls on the Chancellor of the Exchequer to provide a comprehensive explanation about how the security breach occurred, why previous warnings about data security were ignored and what policy changes will be introduced to protect the public in future.

Eight days ago the Chancellor had to come to the House and tell us that the Government had failed in their first duty to protect the public. He had to tell us of the incompetence in his Department that had led to the personal details of every child in the country being lost and the bank account numbers of every family in the country going missing. He said at the very end of his statement that he would

"of course, keep the House updated of any further developments."—[*Official Report*, 20 November 2007; Vol. 467, c. 1104.]

In the eight days since then, the Chancellor's version of events has been contradicted by the internal e-mails published by the National Audit Office. We have discovered that, contrary to what he said, senior officials in HM Revenue and Customs were involved in the key decisions. Further evidence has emerged of systemic failure in the Chancellor's Department, and still there is no sign of the missing data. Yet, instead of keeping the House updated on these developments, the Chancellor has on two occasions since then avoided coming to the Chamber to make a statement. That is why this debate is necessary. It allows us to hold one of the most senior members of the Government accountable for one of the most catastrophic mistakes made by the Government.

The first thing that we should be told today is whether the Chancellor is any closer to finding out where those missing discs are. He has ordered that a letter be sent out to about 7 million people, telling them that their family details and bank account numbers are

"likely to still be on government property".

How on earth does he know that? We all hope that it is true, but I am not aware of any positive evidence to support the statement that was sent to 7 million people. Perhaps the Chancellor can provide it today. I am willing to listen to that evidence. He can intervene on me at any point, or wait until his own speech. At the moment, we have evidence that the Government are searching the premises of external businesses such as

TNT, so I would like to know how he can tell people that the discs are likely to still be on Government property.

We have also discovered that in trying to reassure people, the Treasury appears to have compounded its mistake by sending to some members of the public letters that include the personal details and national insurance numbers of other people. Those are the apology letters. The Financial Secretary shakes her head. She is obviously not aware of what is going on in the country. Let me read a couple of examples that have been brought to my attention. First, a member of the public states:

"I have just had an apology letter [dated 21 November, 07] from Dave Hartnett [Acting Chairman] of HM Revenue & Customs apologising about the error of losing my personal child benefits data, including my bank account...which I was expecting. However, its ironic...I've also received 7 other apology letters that should have been sent to other members of the public in the same predicament! I've got all their National Insurance Numbers, their Child Benefit Ref. Number, Name and address. It really is...an absolutely awful mistake when they are trying to reinstill confidence.

I have of course reported this to the HM Revenue & Customs helpline...I spoke to a gentleman... He made me aware I was not in the minority...this had happened to a number of individuals and asked me to relay the National Insurance No's".

My hon. Friend the Member for Banbury (Tony Baldry) brought to my attention another case involving a constituent of his who has just been sent a letter of apology that includes the names and national insurance numbers of someone other than them. The error is being compounded as we speak by the release of such letters. Perhaps the Chancellor could tell us a little more about that when he replies.

Dr. Nick Palmer (Broxtowe) (Lab): Will the hon. Gentleman give way?

Mr. Osborne: Of course. Perhaps the hon. Gentleman has received such a complaint from a constituent of his.

Dr. Palmer: I am interested that the hon. Gentleman has moved from 500,000 records to single records. If he feels that the issue is important, as he seems to, is he not concerned that 90 per cent. of Conservative Back Benchers are not present, and that those who are present are mostly talking to each other rather than listening to him?

Mr. Osborne: I am talking about 25 million people whose information has been lost. I suppose we have the worst 10 per cent. of the Labour party on the Government Benches.

Perhaps the Chancellor can explain what he has been doing in the past eight days to keep us up to date with the search for the missing discs. The second thing that he must do today is account to the House for not telling the British public the whole truth about how their personal details came to be lost.

When the Chancellor spoke to us last week, he wanted us to believe that it was all the fault of what he said in his statement was

"a junior official in HMRC".

He repeated that when he referred to someone "at a junior level". In reply to the hon. Member for Coventry, North-West (Mr. Robinson)—the paymaster general to the Brownites in more ways than one—the Chancellor said:

"It cannot be left to someone at a junior level in the organisation to decide whether information, especially information of this nature, should be downloaded".—[*Official Report*, 20 November 2007; Vol. 467, c. 1101-1114.]

Let me put this in terms which I think are acceptable to you, Mr. Speaker. We now know that what the Chancellor told the House was not close to an accurate statement of what actually happened. We now know that it was not left to someone at a junior level in the organisation to make that decision. Thanks to the e-mails released two days later—they were released not by the Treasury, by the way, but by the National Audit Office; we still have not heard anything from the Treasury—we have discovered that senior officials at HMRC were involved in the decision.

Everyone has seen those e-mails. It was a senior business manager who replied to the first request from the NAO for the information on 13 March. It was that senior business manager who rejected the NAO's request that the address and bank account details be removed, on the grounds that it would cost too much money—not something that the Chancellor has ever told us. The child benefit process manager, the senior official in charge of the entire child benefit system, as I understand it, was copied into those e-mails and was aware of the discussion about whether to send the information.

Those are not junior officials or lowly clerks—96 per cent. of the staff of the Revenue and Customs are on more junior grades than the most junior civil servants involved in this decision. Why did not the Chancellor tell the whole truth? The political editor of the BBC reported:

"I am told that when he spoke to the Commons the Chancellor had not seen the e-mails and had not been told of the potential involvement of a senior official."

That is what the political editor of the BBC said, reporting the conversations that he had with the Chancellor of the Exchequer, I guess, or with the Chancellor's special advisers or whoever he talks to in the Department.

Is that report true? Can the Chancellor tell us now that when he spoke to Parliament, he had not been told of the potential involvement of a senior official? Are we to believe that the Chancellor has so little grip in his Department that when he spoke to Parliament, he did not know that his own senior officials had been copied into and involved in those decisions? Are we to believe that in the 10 days that he had to prepare for that statement, he did not ask to see the internal correspondence that was published just a couple of days later? Or did he want us all to believe that it was all down to some lowly official and that no Government of any colour could prevent such a thing from happening? Ignorance or deceit—neither is much of a defence for a man who holds the highest office in the land.

The involvement of senior officials is—

Mr. Speaker: Order. I have called before, on another occasion, for temperate language. I ask the hon. Gentleman to withdraw the word "deceit"—*[Interruption.]* Order. There is only one referee in the Chamber.

Mr. Osborne: Let us be generous, then, and just call it ignorance.

Hon. Members: Withdraw!

Mr. Speaker: Order. That is fair. That is a withdrawal.

Mr. Osborne: Thank you, Mr. Speaker. The involvement of senior officials is not the only inconsistency between what the Chancellor said to the House and what now appears to be the case. He told us that the reason that he had delayed telling the public and Parliament about the loss of personal data was—I quote from his statement—that

"the banks were adamant that they wanted as much time as possible to prepare".

He said:

"Some small institutions asked for a couple of weeks".—[*Official Report*, 20 November 2007; Vol. 467, c. 1102-1110]

The British Bankers Association issued a press release the moment he sat down saying that it

"must correct the statements made by the Chancellor of the Exchequer in his address to the House of Commons today that any bank asked for any extension to the delay in announcing the security breach by HMRC...At no point did the banks request a period of weeks, as the Chancellor stated".

Who is telling the truth? Is it the banking system or the Chancellor? Is it the e-mails from the NAO or the Chancellor? I guess that the public will decide.

The public will also decide on the third issue that needs addressing today: HMRC's systemic failure to look after people's personal information over a number of years. The Prime Minister went to great lengths to deny that failure when he was questioned by my right hon. Friend the Leader of the Opposition at Prime Minister's questions last week—and we know why. The Prime Minister presided over this department and its predecessors for longer than anyone in the past 100 years, so he knows that if there is evidence of systemic failure, the blame lies with him.

The evidence is compelling. In September 2005, an unencrypted CD-ROM containing the bank details of taxpayers went missing. What did the Treasury say at the time? It said:

"This is a one-off incident...we are urgently reviewing our procedures to make sure this type of incident does not happen again".

Of course it did happen again. In May, the details of 42,000 families who are claiming tax credits were sent to the wrong people. The Treasury then said

"we have robust procedures in place to protect information provided by"

the public. But of course they did not, because earlier this month the national insurance details of a further 15,000 people were lost on a CD-ROM. The Government then said:

"we have reviewed our arrangements and introduced safeguards to prevent this happening again".

I am grateful to my hon. Friend the Member for Banbury for bringing to my attention the case of Mr. Leaver, a constituent of his from Bicester. In July, Her Majesty's inspector of taxes sent two letters apparently intended for Buckinghamshire county council to his home address in Bicester. They contained the names and national insurance numbers of all the employees who had recently left that council. Mr. Leaver phoned Her Majesty's inspector of taxes and was told, "We are very grateful for your telling us this. We will correct the error." He has subsequently received five more letters. My hon. Friend raised this with HMRC, which confirmed that that was the case, and having looked into the matter, it said:

"We did indeed hold an incorrect address for Buckinghamshire County Council."

Mr. Philip Hammond (Runnymede and Weybridge) (Con): In Oxfordshire.

Mr. Osborne: In Oxfordshire, as my hon. Friend points out.

When the Chancellor orders yet another review and issues yet another promise that something will not happen the public are not convinced. We want him to acknowledge what the head of the Institute of Chartered Accountants said last week: that the catastrophic loss of personal data was not a one-off, but

"an example of wider operational and managerial malaise within HMRC".

The institute has said that this gone on for most of 2007. Its head said that

"there is a deterioration in service standards at HMRC. It manifests itself in things like postbags being unopened for weeks."

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Will the hon. Gentleman guarantee to the House that if he were to achieve the high office to which he aspires, there will be no loss of personal data under his watch?

Mr. Osborne: What I can guarantee is that if I saw evidence of systemic failure in a department for which I was responsible to this House, I would look into that systemic failure and seek to correct it. There is no evidence that either this Chancellor or the previous one did that at all.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): Will the hon. Gentleman give way?

Mr. Osborne: I shall give way to the hon. Gentleman because his question to the Chancellor last week again implied that this was all about the lowly official sitting at a computer. Presumably he was as astonished as I was to find that senior officials were involved in this decision.

Mr. Simon: The hon. Gentleman perhaps misheard or misunderstood the question put by my hon. Friend the Member for Houghton and Washington, East (Mr. Kemp). Given how smug and sanctimonious the hon. Gentleman is being, surely he could give a 100 per cent. guarantee that not one iota of data will be lost under any future Conservative Government in any circumstances. Will he give us a guarantee please?

Mr. Osborne: First, I guarantee that I and anyone who serves in a Conservative Government will examine evidence of systemic failure. I think that I am pretty safe in guaranteeing that if I were Chancellor of the Exchequer, we would not lose the personal details of half the people in the country.

Kali Mountford (Colne Valley) (Lab): Is not the hon. Gentleman making a bold pledge? Would it not be more gracious for him to examine the records of previous Governments, including those of his party,

and check how many times data have been lost by them, and to review the pledge that he has just been making?

Mr. Osborne: I do not think that the hon. Lady can seriously point to an incident where any previous Government, Conservative or Labour, managed to lose 25 million people's names, addresses and national insurance numbers. This Government managed to lose the name, address and date of birth of every child in the country. As far back as 2002, the Prime Minister's performance and innovation unit talked about

"the lack of public trust in the way that the public sector handles personal information and the security of that information".

Yet that warning and subsequent ones by the Information Commissioner and Select Committees of this House and the House of Lords have been ignored.

The Chancellor will no doubt tell us about the fact that the chairman of PricewaterhouseCoopers has been asked to conduct yet another review of HMRC's security procedures. Will he confirm that we are still awaiting the results of the previous one? Does he remember something called the Crosby review? It was set up last year to explain how HMRC's tax credits system had been defrauded of £1.7 billion. Parliament was promised the report this summer, and I know that Labour Members were eagerly awaiting its arrival so that they could read it during their summer break. The Chief Secretary to the Treasury disappointed us, saying that it would arrive later in the summer, but we are now approaching December and there is still no sign of it.

We have been told that plans are afoot in the Treasury—perhaps the Chancellor will confirm this—*[Interruption.]* The answers come scurrying from the Government officials; at least this message did not get lost in the post. We have been told that plans are afoot in the Treasury to merge different HMRC databases into one single super database starting in April next year. Will the Chancellor confirm that, starting in April, everyone's tax records will be merged with everyone's benefit records? How can anyone be sure that such a super database containing the details of every person in the country will be any safer than the databases that it replaces?

Has the time not come to consider whether HMRC should continue in its role as a benefits agency? I suspect that this issue might find sympathy with some Labour Members, because every MP knows that HMRC has proved itself incapable of administering tax credits effectively. It has now proved itself unable to administer child benefit competently. A tax-collecting department is not best suited to being a tax-spending department. This situation is a legacy of the previous Chancellor's obsessive desire to carve out for himself an empire in Whitehall. Now that the emperor has been shown to have no clothes, that empire should be dismantled. The administration of benefits should return to the Department for Work and Pensions where it belongs.

Finally, the Chancellor must acknowledge the growing public concern about this Government's insatiable appetite for holding more and more personal data on their citizens. In a rare display of independent thought, he once said:

"Identity cards are unnecessary and will create more difficulties than they will solve...I do not want my whole life reduced to a magnetic strip on a plastic card. Those who advocate ID cards should think long and hard before continuing to do so".

Surely an incident such as the loss of half the country's data would make him think long and hard.

Now is the time to scrap the flawed plans for ID cards and a national identity register. Given that the Government have shown themselves to be completely incapable of looking after the data they already hold on us, how can they possibly ask for any more? I know that the Government increasingly look like a Monty Python sketch, but should they not take a leaf out of Monty Python's book and just say, "ID cards are no more. They have ceased to be. They are an ex-project"? The sooner the Government wake up to that fact and stop wasting our money on this doomed white elephant, the better.

The Government have failed in their first duty—to protect the public. The Chancellor has presided over a Department that has lost the personal details of every child in the country, yet instead of an anxious public being kept informed, we have to wait for the Opposition to call him to Parliament to explain what is going on and why the version of events that he gave us last week is contradicted by the published evidence from the National Audit Office.

Since he took office, this Chancellor has lurched from one disaster to another—from the bank run, to the disastrous pre-Budget report, to the capital gains tax plans that seemed to change week by week. But the biggest disaster of all is surely this loss of the country's personal data. As someone once said, accident-prone Ministers are not accident-prone by accident. This Chancellor will never regain a reputation for competence; let us see if he can cling on to a reputation for being honest about his mistakes.

1.41 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"approves of the decisive action taken by the Government when it became aware of the data loss by HM Revenue and Customs, including the collaborative work undertaken in association with the UK Payments Association, the British Bankers Association and the Building Societies Association and through them individual banks, building societies and other financial institutions which enabled them to put in place appropriate safeguards and monitor any irregular activity; welcomes the decision of the Chancellor of the Exchequer to initiate an urgent investigation by the Metropolitan Police and his appointment of Mr Kieran Poynter to conduct an independent review of HM Revenue and Customs' data handling procedures; acknowledges the steps which have already been taken to improve the department's data transfer processes; and notes the Chancellor's assurance that he will keep the House fully informed of further developments."

This is a very serious matter, and I am sorry that the shadow Chancellor has chosen to make it an occasion for political knockabout. *[Interruption.]* It is extremely serious when so many records go missing. There are no excuses for it, and yet again I reiterate not only my profound regret at what has happened but my apologies to the millions of people in this country who have been caused anxiety and distress. It is because I want to ensure that we not only find out exactly what happened

[Mr. Alistair Darling]

but ensure that it never happens again that I appointed Kieran Poynter, the senior partner and chair of PricewaterhouseCoopers, to conduct an inquiry and report. I will come back to that shortly.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the Chancellor give way?

Mr. Darling: No, not just now.

It is absolutely essential that we deal with the facts and the evidence, and we will have an interim report containing those in three weeks' time.

Before I deal with the points made by the hon. Member for Tatton (Mr. Osborne), let me update the House on the current position. The Metropolitan police inquiry is continuing, as are searches. As this is a continuing police inquiry I do not want to say anything further on that, but the police inform me that they still have no evidence or intelligence that these data have fallen into the wrong hands and no evidence of fraud or criminal activity. The majority of accounts into which child benefit payments are made are with a small number of banks. The banks have now been able to check back to 18 October, and there are no reports, so I am told, of any activity suggesting increased fraud attempts deriving from this incident. However, Revenue and Customs will continue to ask for updates from major banks and building societies at least once a day.

Mr. Desmond Swayne (New Forest, West) (Con) *rose—*

Mr. Darling: Revenue and Customs also made changes to security processes and procedures for bulk data transfers, and such transfers will now take place only if they are absolutely necessary, written authorisation has been provided by senior Customs managers, and clear instruction has been given regarding the appropriate standard of protection for transfer.

Mr. Swayne *rose—*

Mr. Darling: As I said, Kieran Poynter, the chairman and senior partner of PricewaterhouseCoopers has started his inquiry, and I shall return to that shortly. [HON. MEMBERS: "Give way!"] I shall certainly give way to the hon. Member for New Forest, West (Mr. Swayne), unless he has lost interest in the subject.

Mr. Swayne: Twenty-five million records of children's names and addresses have disappeared. Given the amount of data that the Government are collecting, no doubt including whether the children have been bad or good, and that it is six weeks before Christmas, it is blindingly obvious who has taken them.

Mr. Darling: I think that members of the public would hope that the House and the hon. Gentleman take this matter seriously. I am very sorry that he has chosen to strike that attitude.

Mr. Stephen Dorrell (Charnwood) (Con): On what evidence does the Chancellor base his statement that he does not believe that the discs have left Government property?

Mr. Darling: The information that I have comes from the police and from Revenue and Customs. As I said, the inquiry is continuing. When it has concluded and I have the interim report from Kieran Poynter, which I have asked to have by 14 December, I will report to the House thereafter.

Mr. Dorrell *rose—*

Mr. Stuart *rose—*

Mr. John Redwood (Wokingham) (Con) *rose—*

Mr. Darling: I want to make some progress.

Let me deal with three matters that the shadow Chancellor raised before I turn to what he said about my statement and his other points. First, I said in my statement last week that we informed the banks—through the Association for Payment Clearing Services, which acts for them—on the Friday that we had this problem and needed their help. Work was carried on over the weekend to uplift the accounts so that they could be monitored. On the Monday morning, when I was reaching a decision about when I would report to the House, I asked what the banks' view was. A number of banks said that they wanted more time—

Mr. Dorrell: Which banks?

Mr. Darling: I am not prepared to say that without those banks' consent, but their request was based on perfectly good operational requirements. Nobody is blaming the banks; they simply wanted the time to put in place the necessary protections. It was clear to me that, as I said last week, a balance had to be struck between my need to tell the House and the public and the need to ensure that the banks were properly prepared.

The hon. Gentleman made a suggestion about dismantling something. I am not sure whether he is calling for the dismantling of Revenue and Customs or wants to transfer the benefits element out of it. The issue here, unless Kieran Poynter's inquiry points elsewhere, is not so much where the child benefit centre is located in terms of responsibility—of course, it was part of the Department for Work and Pensions and, before that, the Department of Social Security—as ensuring that there are robust procedures in relation to the handling of data and, crucially, that the procedures are followed to the last detail.

In relation to identity cards, yes, I did indeed say what the hon. Gentleman said. However, as somebody once said, when the facts change, I change my mind. What has changed over the past few years is that a great deal of information is held about each and every one of us by Government Departments, by the private sector, and by the health service. The whole point of ID cards is to strengthen security so that we can be confident that information that is held on us, whether in the public sector or the private sector, is not released to third parties without our consent. That is the merit that ID cards can bring, and that is why I have changed my mind. Frankly, a lot has happened in the past 10 or 15 years in terms of the sheer quantity of information held.

Several hon. Members *rose—*

Mr. Darling: I give way to the right hon. Member for Wokingham (Mr. Redwood).

Mr. Redwood: The Chancellor has already referred to one action that he has taken since this became news. What has he done in the past 18 days to change the systems in his Department?

Mr. Darling: I will come to that. I have already said that HMRC has changed its procedures for dealing with the bulk transfer of data. This is one of the reasons why I asked Kieran Poynter, coming as he does from a very large accountancy firm with a lot of experience in dealing with these sorts of problems, to make recommendations. As I said, it is important that we get the evidence and the facts so that we can learn from what has gone wrong and then proceed.

Several hon. Members *rose—*

Mr. Darling: I will give way to the right hon. Member for Fylde (Mr. Jack), and then I am going to make some progress.

Mr. Michael Jack (Fylde) (Con): It is said that the request to remove the sensitive information from the lost discs was turned down on cost grounds. If that is correct, first, how much was the cost saving; and, secondly, how much will it cost to clear up the mess?

Mr. Darling: That, along with everything else, is part of the investigation being carried out by Kieran Poynter.

I want to deal specifically with the central argument made by the shadow Chancellor. In my statement to the House on 20 November, I set out the facts and circumstances known to me in relation to the missing personal data. That statement was accurate in every respect in accordance with the information that I had then and have today. I specifically said in my statement that the House would understand that because the investigation was continuing, I was not yet in a position to give a full account of what had happened. I did, as the House would expect, set out the information I had available, including that the discs appear to have been provided to the NAO by a junior official in both the March and the October incidents. But I said in the same statement that Revenue and Customs as a department had failed to meet the high standards that should be expected of it in discharging its responsibility to the general public, who entrust it with highly sensitive personal information. I also referred to other data security breaches. Far from it being a one-off, I referred to those other breaches by Revenue and Customs, including the loss of records by an external courier and the loss of a laptop and other material in the very recent past.

Mr. George Osborne: The Chancellor said, when he spoke to us last week, that it was down to a junior official in the HMRC. The e-mails that were then released by the National Audit Office and the covering letter from the assistant auditor-general to the acting head of HMRC say that the HMRC process-owner for child benefit—whom I think the Chancellor would agree is a senior official—was a copy recipient of the e-mail dated 13 March. Does he now accept that a senior official was copied into the decision-making process?

Mr. Darling: I am just coming to that, but before I leave that point, the hon. Gentleman made much of the fact—I think these were his words—that somehow it was implied that this was a one-off incident. I specifically said in my statement that there had been other data security breaches in the recent past, and I went on to say that I told the House that because of my concerns I had appointed Kieran Poynter to investigate Revenue and Customs security processes, and the procedures for data handling. As I said, I will have his interim report by 14 December, and I will report to the House thereafter before it rises for the Christmas recess.

John Hemming (Birmingham, Yardley) (LD): Will the Chancellor give way?

Mr. Darling: Let me finish this point first.

It will be an interim report and there will be a full report in the spring. I made it clear in my statement last week that we need to establish what happened and how it came about that two discs containing highly sensitive and personal information were provided to the NAO by Revenue and Customs in October. In that context, it is important to look at Kieran Poynter's published terms of reference because they make it very clear that I want a widespread investigation.

His terms of reference are: to establish the circumstances that led to the significant loss of confidential personal data on child benefit recipients, other recent losses of confidential data and the lessons to be learned in the light of those circumstances; to examine HMRC practices and procedures in the handling and transfer of confidential data on taxpayers on benefit and credit recipients; the processes for ensuring that such procedures are communicated to staff and the safeguards in place to ensure that they are adhered to; the reasons those failed to prevent the loss of confidential data; and whether those procedures and processes are sufficient to ensure the confidentiality of personal data.

Several hon. Members *rose—*

Mr. Darling: Hold on.

The terms of reference are deliberately widely drawn to allow every aspect of this matter to be looked at and to ensure that the lessons are learned at every level in Revenue and Customs.

Mr. Philip Dunne (Ludlow) (Con): In view of what the Chancellor said about the importance that the Government attach to the security of data transfer, will he confirm to the House that the data included on the two CDs were not encrypted, as the HMRC's press office statement said, which was reported on *Newsnight* last week?

Mr. Darling: I said last week that the data were password-protected, but not encrypted. Most people agree that the data ought to have been encrypted, but they were not.

Patrick Hall (Bedford) (Lab): Will my right hon. Friend take it from me that the shadow Chancellor has lost a golden opportunity today? Does he agree that what the country looks for, when serious matters such

[Patrick Hall]

as those we are debating today are considered, is a calm and measured response that addresses the issues for the long term in the interests of the country, and seeks to put them right? Instead, we got personal, cheap remarks with cruel humour and not one iota of constructive suggestion from the Opposition.

Mr. Darling: I agree with my hon. Friend that, as I said at the start, this is a serious matter, which means that we need to deal with it properly and comprehensively.

Several hon. Members *rose—*

Mr. Darling: I have been promising to give way to the hon. Member for Birmingham, Yardley (John Hemming) for some time.

John Hemming: Obviously, we recognise that one of the biggest problems in the release of the data was that they were not encrypted, but merely password-protected. Why, therefore, has the Department not said that while the review continues, any data discs should be sent out in an encrypted manner? Merely having a sign-off from a senior manager would not prevent exactly what has happened from happening again.

Mr. Darling: Part of the procedures that have been put in place, and which require the sign-off of a senior manager, ensures that if a large transfer of material were being made, encryption would be looked at. It may be that other things can be done—material might be taken under suitable security and so on. All those things will be looked at.

John Hemming *rose—*

Mr. Darling: No, I will not give way again. The hon. Gentleman has made his point. It is a perfectly reasonable one, but it is one of the things that Kieran Poynter is looking at.

Several hon. Members *rose—*

Mr. Darling: I will not just give way just now.

We will have the interim report in three weeks' time, and, as I said to the House last week, that will be alongside the police investigation, the independent police complaints investigation and the Information Commissioner's inquiry. The NAO is also conducting its own investigation.

I want to deal with the shadow Chancellor's allegation about whether a senior HMRC official was involved in the earlier incident in March. As I said to the House, there were two incidents—the October incident, which led to the loss of the material, and the March one, which equally should not have happened, but where the material was returned. The question was whether a senior HMRC official was involved in the decision to release information to the NAO in that earlier incident in March. The House will recall that the discs were returned safely, but when the e-mails the shadow Chancellor refers to were published, they were accompanied by a letter written by an assistant auditor-general at the NAO, and sent, as he said, to the acting chair of Revenue and Customs, dated 22 November.

I want to read a paragraph from the letter. I think the hon. Gentleman has it, but it is rather important in relation to the allegation he made. The assistant-auditor general says in her letter:

"We met this morning and agreed that the HMRC Process Owner"—

that is, the official in question—

"for Child Benefit was a copy recipient of an e-mail dated 13 March 2007. The e-mail was sent by a junior HMRC"

official.

"It refers to a reluctance to provide data in the filtered form the NAO had requested. We also agreed that our own NAO audit director was aware of the position, and that we have no evidence that the Process Owner for Child Benefit made the decision to release the data."

The hon. Gentleman left that bit of the letter out.

Mr. George Osborne: Will the Chancellor give way?

Mr. Darling: Not just now.

The letter continues:

"The National Audit Office is not making an issue of any of this."

There is no inconsistency between that and what I said last week.

Mr. Osborne: Will the Chancellor give way?

Mr. Darling: In a moment.

There is no inconsistency between what I said in my statement last week and the information publicly available. Crucially, exactly what happened in the chain between the time that information was requested and the discs were handed over is to be investigated by Kieran Poynter and the National Audit Office, which is carrying out its own inquiry. They will examine the evidence, establish the facts and make recommendations.

Mr. Osborne: The Chancellor did not accurately read that letter. He read the sentence, "The e-mail was sent out by a junior HMRC official", which is what he told the House of Commons. The sentence actually says:

"The e-mail was sent by a junior HMRC manager"—

that is, management in the senior levels of the department. [Hon. Members: "A junior manager"] It was indeed a junior manager, but that still makes him a senior official. He makes the point—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. These are extremely serious matters and all our constituents would expect us to deal with them seriously.

Mr. Osborne: Indeed, 96 per cent. of people employed in the department are more junior than the person whom we are discussing. Perhaps the Chancellor could correct the record about the letter. Will he explain why someone, who is presumably close to him, told the BBC's political editor that

"when he spoke to the Commons the Chancellor had not seen the e-mails and had not been told of the potential involvement of a senior official"?

Mr. Darling: The letter does say "junior HMRC manager", but I note that the hon. Gentleman did not comment on the fact that it also states:

"We have no evidence that the process owner for child benefit"—

the senior manager whom we are discussing—

"made the decision to release the data."

In other words, that evidence is not available to us.

The key point is that I have asked Kieran Poynter to examine all the evidence to establish what happened. As I said in my statement last week, I did not have all the information; I was able to make an interim report at that time, but further information was needed. It is precisely because of the need for full and further information; that I have asked Mr. Poynter to report. When he reports by 14 December, I will return to the House and make an oral statement before the House rises for the Christmas recess.

The incident is serious. Again, I apologise unreservedly to the public. The Department has clearly failed in the high standards that the public rightly expect. That is why I asked for a thorough inquiry. The lessons need to be learned so that we make sure that it does not happen again.

2.1 pm

Dr. Vincent Cable (Twickenham) (LD): I support the Opposition motion, although it is rather narrowly couched. The hon. Member for Tatton (Mr. Osborne) broadened it a little to refer to ID cards, but there are much broader questions than those posed by the motion. None the less, I agree with it.

We all accept that the starting point is the potential through the loss of the CDs for damage which has not yet been fully realised. Among those who come to me as a local Member of Parliament to express anxiety are people who are desperately worried that information about their identity and location will be leaked to their partners or former partners from whom they have separated. In some fraught relationships, identity is crucial, and all that information could now be lost.

We sincerely hope that the discs will not fall into the hands of the criminal fraternity. However, I understand that one identity on the black market is worth approximately £60. We are therefore considering a stock of criminal value of around £1.5 billion, which makes the Brinks Mat robbery the equivalent of stealing the church collection. An enormous amount remains at stake.

I shall tackle the broader questions, but I should like first to deal with the specific, basic question that the hon. Member for Ludlow (Mr. Dunne) and my hon. Friend the Member for Birmingham, Yardley (John Hemming), who is an encryption specialist, asked about why encryption has not routinely taken place. I understand that that was not a simple oversight and that almost all the data that have been lost and all those that have been shipped around in government are not encrypted. Encryption is simply not happening. What are the reasons for that? My understanding, from talking to some of the specialists involved, is that IT specialists, mostly freelancers, are needed to encrypt data. The big IT companies are not interested in using them and the civil servants who oversee them do not understand the problem, so encryption is not happening. Can the Poynter inquiry probe that further in relation not only to the Treasury but departments in general?

A second set of questions relates to transporting the discs. We now know, as a result of the information that has been released in the past few days, that not only the Standard Life discs and the two CDs went astray. Apparently, two more CDs that contained confidential information were lost in transit from Preston to Whitehall. Yesterday, I believe that discs that contained Scottish Government confidential information went astray in Scotland. Why is transport handled in such a way? In the years I spent in the diplomatic service we had something called the diplomatic bag, which may have been overrated but existed specifically to handle confidential data. Of course, transporting data across borders involves somewhat different considerations. None the less, there was a recognition that confidential data need to be handled confidentially and carefully, and that a dedicated institution was merited. Yet that concept appears to exist nowhere in government. I wonder whether the Poynter inquiry will argue that simply contracting out less stuff to courier companies is the best way in which to handle the information.

Stewart Hosie (Dundee, East) (SNP): The hon. Gentleman has considered encryption and the procedures for transit. Is not a more fundamental point that someone in the department was able to copy the data, without a technical intervention from a senior manager?

Dr. Cable: The hon. Gentleman is right and access was my next point. I asked that question of the chairman of a leading plc, who thought that it was unbelievable that a junior employee in his company could have access to all the company's commercial and technical secrets. He said that there would be an elaborate and difficult process to ensure that people going into the database and getting out again were properly screened. That appears to exist nowhere in government. Again, we need to establish why.

Chris Mole (Ipswich) (Lab): On what basis does the hon. Gentleman think that?

Dr. Cable: I am simply asking questions—*[Interruption.]*

Mr. Deputy Speaker: Order. If hon. Members want to intervene, they must do so in the normal way, not from a sedentary position.

Dr. Cable: My question on the specifics of the leakage relate to why the information was transmitted through CDs. I am not a specialist, but I understand that super-computers nowadays transmit data electronically and instantaneously and that receipt can be confirmed instantaneously. Why is a rather antiquated system, in computer terms, employed for the major transmission of data? That is a simple, factual question about which the inquiry will doubtless enlighten us.

There are broader questions. Clearly, the Chancellor is responsible for his Department and his agency. It is proper that he responds to questions about that. However, every question that we ask the Chancellor could equally be posed to every other Secretary of State in Departments that have agencies handling data. Is the Chancellor aware of any other Departments that are involved in the same sort of transmission of data as that in which his Department is engaged? The same thing could clearly

[Dr. Cable]

happen with the Department for Work and Pensions and with highly sensitive data in the Home Office and its agencies. Are the Government as a whole considering database management and security? Surely that is the crucial question.

Mr. Rob Wilson (Reading, East) (Con): I was contacted yesterday by a constituent, Mr. David Kauders, who told me that when trying to renew his car tax disc he found that he was inputting his credit card details into an insecure website. Does the hon. Gentleman agree that the Chancellor should look into that immediately and, if my constituent is found to be correct, warn people that their credit and debit cards are at risk?

Dr. Cable: I am not sufficiently informed of the structure of Government to know whether the Driver and Vehicle Licensing Agency comes under the Chancellor. However, clearly a Department should check that out.

The broader issue is how IT systems in Government—not only in HMRC and the Treasury—are managed. What role does security play in the objectives of massive IT programmes? Of course, many work perfectly well, but IT systems exist to provide convenience, cost reduction and security. How much is security weighted in the current management of the systems? The hon. Member for South Norfolk (Mr. Bacon) among others has persistently asked about the way in which Members of Parliament gain access to the Government's evaluations of their IT programmes in HMRC and elsewhere. There is an issue about the so-called gateway reviews—the way in which IT programmes are judged and evaluated. My understanding is that we are not allowed access to them. The Public Accounts Committee, too, is not allowed access to them. Perhaps the Chancellor will confirm whether he, like his predecessor, is determined to go to court to block public or parliamentary access to the gateway review on HMRC. Is that the case?

Mr. Redwood: Does the hon. Gentleman suggest that the resignation of the head of HMRC is not sufficient and that accountability for the problems rests with Ministers?

Dr. Cable: It does ultimately rest with Ministers, although I am not calling for the resignation of the Chancellor. We obviously need to find out a great deal more, but accountability indeed goes higher. The point that I made in response to the original statement was that in Departments such as the Home Office that principle has been accepted.

Mr. Graham Stuart: There is obviously culpability at ministerial level, and not only for incompetence. Does the hon. Gentleman have questions about the way in which the episode was eventually announced in the House and the so-called junior official was forced into flight, holed up in a hotel in secret and hung out to dry, just as the Government have hung other public officials out to dry when seeking to save themselves rather than the public interest?

Dr. Cable: I am not quite sure what else could have been done with that junior official to protect him from the media. I am not critical of how the Chancellor handled the issue in the House. It seems to have been dealt with promptly and properly, as far as it went, so that is not my line of criticism.

I should like to move on to the issue of cost cutting. The hon. Member for Tatton quite properly raised the particular e-mail in the batch that we received. Perhaps I should read out one sentence from the communication, to explain where the problem lies:

> "I must stress we must make use of the data we hold and not over burden the business by asking them to run additional scans/filters that may incur a cost to the department".

Obviously cost-consciousness is important, and I do not criticise civil servants for being conscious of cost. However, in this case—the right hon. Member for Fylde (Mr. Jack) put this question perfectly well—what is the cost of doing a basic test, with the stripping out of sensitive data? I gather from people in the profession that it probably costs a freelance consultant something in the order of £10,000 to do a job of that kind. Other estimates might be available, but that is in the context of budgets of £8.5 billion, which is the value of the Capgemini contract. Who is making an assessment of the costs and benefits of particular choices? Who is assessing proportionality?

That links in with the issue of staffing and staff cuts in the department. Again, I have no fundamental objections in principle to trying to raise the efficiency levels of HMRC and Departments. No public servant has a job for life. However, I have always been critical not so much of the principles behind the Gershon savings, but of how they operate through crude head-counts, which anyone who has worked in a large company will know are the most inefficient way of trying to increase efficiency. They often result in the wrong people being evicted, staff being demoralised and a lack of supervision. That has undoubtedly been a factor in the operation of HMRC and not only lies behind the tax credit fiasco, but probably plays a part in this situation.

The fundamental issue that I wish to raise—this relates to why I think the Opposition motion is too narrow—is the danger, which has now been highlighted, of big centralised databases. The hon. Member for Tatton is right that one of the major lessons from this episode concerns the problems that could arise from the ID card system. However, the underlying issue is that we have big centralised data systems, with large numbers of people who have access to them, so any mistake is compounded on a large scale. Quite apart from whether we get to the ID cards system, there are big Government central databases about which important questions now need to be asked.

For example, there is a new child protection database system called ContactPoint, which was created in the wake of the Climbié inquiry. As I understand it—I stand to be corrected—in the order of 300,000 professionals could have access to that database. It is difficult not to imagine that at least a few of them might have some malign intention. The problem lies in the sheer scale of the database to which they have access, however well managed it is and however good the protocols.

Dr. Palmer: The hon. Gentleman is making a serious speech, to which we are all listening attentively. Does he not agree that the key issue for IT access is which data fields can be accessed, rather than whether they are grouped in one or several databases? In the case of the child database to which he has referred, the key

question is how many people can access the address or contact details of a child, rather than whether a certain number of people can access the database at all.

Dr. Cable: The hon. Gentleman has an advantage over me, given his technical knowledge. However, my hon. Friend the Member for Birmingham, Yardley, who I suspect has even more technical knowledge, has suggested that the fundamental problem is not the number of fields but the number of records and the sheer scale of the databases.

That issue arises not only in relation to ContactPoint. There is also the looming issue of the NHS spine, containing highly sensitive medical data to which well over 300,000 people will have access. I am told that some journalists are willing to pay £10,000 or something of that order for access to the medical records of a celebrity. The temptation for somebody to use and abuse the database in that way is obvious. Although there are disadvantages to a fragmented system in which GPs have their own records on paper, it is significantly better for security.

Kali Mountford: I am grateful to the hon. Gentleman for giving way, because I wanted to raise similar issues in my speech, which can now be shortened. Is not the problem that whatever system we introduce and however perfect we try to make it any system can be made open to abuse by people who want to get information to which they should not be allowed access?

Dr. Cable: The hon. Lady is absolutely right. However, although it is easy to be wise after the event, my point is that one of the lessons that we should learn from this episode is that big is not necessarily beautiful and that there is advantage in a small scale. That may well result in reduced efficiency, but when we are concerned about massive data loss and security, there is an argument for smallness. We should start to adopt that approach for some sensitive database systems.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does my hon. Friend also agree that there is an issue with responsibility for error? I recently became aware of a Child Support Agency case, where the contact details of an individual were wrong, which was causing problems in processing payments. However, the Child Support Agency said that since it was not the only organisation that could have changed those details, it could not be deemed responsible for the problem.

Dr. Cable: Indeed. It is a question not just of the size of databases but of the whole system and the interconnection between them, with the risks multiplying many times over.

My next point relates to what this sorry episode suggests to us about data protection legislation. The subject arouses great annoyance in many quarters, and I believe that the Conservatives have suggested that they will repeal the data protection legislation. There is an appalling contrast between how individuals encounter the workings of the Data Protection Act 1998, which are about form filling and obstruction, and what members of the public see in the conduct of government, which is inefficiency and leakage. That lack of balance and accountability is at the heart of a great deal of disillusionment. In the light of that, I wonder whether we should return to the 1998 Act and introduce some new principles, one of which is that individuals should have access to the data that the Government hold on them and the right to correct that data.

Another principle that stems directly from the current affair is that where data managers have committed serious errors or been negligent they should be open to some penalty. Apparently no penalty currently exists. It might have been a bit of a joke that the Metropolitan police were fined several hundred thousand pounds for the shooting of de Menezes, but the data managers in HMRC face no penalties whatever under existing legislation. Surely that should be addressed.

Chris Mole: The inappropriateness of the contrast between what has happened in this case and ID card legislation is that there are penalties in the Identity Cards Act 2006 for unlawful access to the ID cards database. Perhaps we should consider a specific penalty for unlawful access to Government data across the piece, measured on a data-by-data basis.

Dr. Cable: That seems a sensible suggestion on the assumption that that actually happens.

My final point is that although the purpose of today's Opposition day motion is to hold the Chancellor to account on matters relating to a serious breach of privacy and data, it highlights the fact that we have no regular mechanism of doing so in the House. One of the purposes of reforming the 1998 Act could be to ensure that we have a proper ongoing Select Committee system concerning privacy and data, perhaps involving both Houses of Parliament, so that it is not necessary to have these occasional and highly politicised attempts to deal with issues that should be dealt with in the House systematically.

2.19 pm

Kali Mountford (Colne Valley) (Lab): Thank you for calling me so early in the debate, Mr. Deputy Speaker. I apologise to the House for having other business that will call me away, but I shall endeavour to return as quickly as possible, as this is an important debate and I want to be a part of as much of it as I can. I want to distil the important issues on which we need to focus from among those that the Opposition are tempted to dwell on and have fun with, which simply create hot air and bring little more to the debate than a few headlines and some enjoyment for those who like to see people squirm.

When people make mistakes, the first thing that they should do is to apologise. I congratulate my right hon. Friend the Chancellor on doing that immediately; it was the right thing to do. When we make mistakes, we should also do our best to put things right. In order to do that, we need to know what went wrong. My right hon. Friend is right to say that, when there has been a catalogue of mistakes—we cannot pretend that that is not the case—we need to know what lies behind it.

Holding the inquiry is exactly the right thing to do. To say that we had some data first in one place and then in another, and that we do not know exactly where some discs are, and to pretend that we know what happened during that series of events and not to hold an inquiry would be quite ludicrous. I congratulate my right hon. Friend on immediately instigating the inquiry. It was the right thing to do.

[Kali Mountford]

We need to look to our laurels and find out what went wrong. We also need to determine whose responsibility it was. This certainly cannot be laid at the door of junior officials. I always think that it is quite wrong for politicians ever to lay the blame at the door of officials.

Mr. Graham Stuart: I wonder whether that is a subtle chastisement of the Prime Minister and the Chancellor of the Exchequer, both of whom explicitly used the term "junior official", which would have been entirely unnecessary if they were not trying to suggest where the responsibility lay.

Kali Mountford: Absolutely not at all. That is a gross misunderstanding of what was being said. If someone has taken an action, as that junior official clearly did, it is one thing to understand that action, but to blame that person for it is quite another—

Mr. Stuart: He is in hiding.

Kali Mountford: The hon. Gentleman needs to wait for the inquiry. Why did that junior official take that action when, in the light of the procedures that should have been followed, it clearly should not have been taken?

Mr. Stuart *rose—*

Kali Mountford: The hon. Gentleman must calm down, stay in his seat and think about what I am trying to say. There is a set of procedures; why were they not followed? If there are pressures in the department, why did that person not follow the procedures? Which level of senior managers did not ensure that those procedures were properly followed? What breakdown took place that resulted in those procedures not being followed—if, indeed, that is the case? In future, what new, easier-to-follow procedures shall we need to put in place to ensure that this kind of thing cannot happen again?

Mr. Kemp: Does my hon. Friend agree that the loss of data should not reflect on the vast majority of staff who work at Waterside Park and who do a good job? Many MPs here will struggle to remember the last time that they had a complaint about the delivery of child benefit; it is an efficient benefit that has delivered to millions of families and helped to alleviate child poverty in this nation.

Kali Mountford: My hon. Friend brings me to my next point. As a former civil servant, and as a former member of the CPSA union who represented members of the department that he has mentioned, I can tell the House that they are grand people. To suggest that they could be in any way accountable for this mistake would be wrong. The Government have made decisions to increase the level of child benefit and to ensure that people rightly get the money that they deserve, but many of them would not get it on time without those people who live and work in my hon. Friend's constituency making sure that that can happen. It is right to acknowledge the work that they do—

Mr. Stuart *rose—*

Kali Mountford: Oh, he is at it again. I shall let him have a go.

Mr. Stuart: There are so many questions that have not been answered by the Chancellor because there is going to be an inquiry, yet the Chancellor and the Prime Minister both managed to divulge one fact very early. It turned out—allegedly, and perhaps not entirely correctly—to have been a junior official who had released the data. May I suggest that that revelation was entirely unnecessary? The fact that that person has been hounded out and has been in hiding is a disgrace and a shame for the Government.

Kali Mountford: Oh dear, oh dear, oh dear. The hon. Gentleman really does need to stay in his place, stay calm and not get so excited. Would he rather that that person were flogged and hanged by hon. Members in the street—*[Interruption.]* Would he rather that that person were hounded by the press and not protected? I see this rather differently. I would rather that that person were kept away from the press so that they were not hounded every day, but the hon. Gentleman sees this rather differently. I see this as a way of protecting the person. The hon. Gentleman will have it his way; I will have it mine. It is better that we get to the facts, then look at what we need to do in the future. That is what the inquiry is about.

We have heard today that this matter has reached another stage. I anticipated that this would happen, but I regret that two other questions have, quite spuriously and wrongly, been thrown into the debate: what should we do about the department, and what should we do about ID cards? They are both wrong, but let us look at the matter. The department is the right way to go. I know that some of my hon. Friends might agree with the Opposition, but I disagree with them.

The way in which the system has been set up ensures that people who need tax credits can have them, and it is thanks to the constituents of my hon. Friend the Member for Houghton and Washington, East (Mr. Kemp) that most people have now got the benefits that they deserve. It would be wrong to jiggery-poker about with a new department yet again. It would still have the same computer system, and it would still have the same employees. To pretend that it would be a completely different system would be to do a disservice to the public, and it would be wrong to try to reinvent the wheel. That is what Opposition Members want to do, but it would be a mistake and a diversion. It would be misleading, and it is not the right thing to focus on.

The Opposition's suggestions about ID cards would result in our throwing the baby out with the bathwater. ID cards are a separate issue. Everyone always forgets that our biometrics stay with us continually. We would not have to carry cards; that is a separate issue. We cannot leave home without our biometrics; they are with us always. To say that, because of this one mistake—*[Interruption.]* It is a huge mistake; I do not take issue with that fact. But however big it is, and wherever those discs are, my biometrics are with me now, and no one can take them off me. Wherever I go, they are with me. I could go into a bank and put my fingerprint down, but it would not be on that database because it would be separate from my biographical details.

Stewart Hosie: The hon. Lady is making a valiant case, but she seems to be suggesting that any transaction that she wishes to carry out will require her to be scanned and checked against a central repository. I am sure that that contradicts the answer that we got from a Minister some time ago. From memory, I think that we were told that it would be up to each organisation to determine how the system was used. Is the hon. Lady really suggesting that every single transaction would be checked against a central repository?

Kali Mountford: I obviously did not say that, but Opposition Members have been implying that this mistake means the end of ID cards. I was simply suggesting that an added protection for us, in having an ID register, is the fact that it contains our biometrics. It is there in the proposed legislation that, if organisations want to use our biometrics, that additional safeguard is there for us. I think that it is an additional safeguard that many people would want to have.

Chris Mole: My hon. Friend is doing an excellent job of making the case that the Opposition have mis-juxtaposed the issue of ID cards with this issue. If we had ID cards, with the security that she is describing, the concerns about the loss of data would be nowhere near the same. Ordinary members of the public would know, for example, that if their bank had implemented that level of security using a biometric, the loss of basic data would not put them at the risk that they are now concerned about.

Kali Mountford: My hon. Friend makes the case even better than I could. That is precisely my point and Opposition Members do a disservice by trying to link the two, which is a mistake. Clearly, losing the discs was a mistake, but people need not be concerned that their loss could have led to a connection being established between their bank accounts and ID cards—if those cards were in place. The two need not be linked, so it is a mistake to talk about the death of ID cards. I certainly continue to support them and I know that my constituents also continue to support the ID card concept. As I say, it is a mistake to think that this issue means the end of them. I also think that it is a mistake to continue to parrot the idea that our data is out there in the country. I still believe that by the end of the inquiry we will have discovered that the data is safely stored somewhere in the system. I certainly hope so. Let us wait until the end of the inquiry before we start speculating about what has really happened.

2.30 pm

Mr. Stephen Dorrell (Charnwood) (Con): I think everyone in the House agrees that if confidential data about 25 million cases go missing, it amounts to a very serious event and it is absolutely right for my Front-Bench colleagues regularly to draw the Government to account for the system failure that led to it. I also strongly agree with the hon. Member for Twickenham (Dr. Cable) that this is not just a debate about a serious problem that emerged when the data went missing, as it should also be about something much more deep seated that has been revealed by the event—namely, what I regard as the lack of seriousness of the Government's response to it.

It is quite telling that so much of the debate and so much of the Government's response has been a virtually technical discussion about whether the data was encrypted, whether the CDs were password protected, whether they are still on Government premises, whether the banks delayed and other issues of process. There has been what I regard as depressingly little focus on the huge issue of principle that underlies the whole debate.

We should all recognise that the information held about each one of us by Her Majesty's Revenue and Customs is immensely sensitive and should be regarded by it as having the highest degree of security. That was true in the days before information technology and before it became relatively easy for that information to be passed around the system. The whole structure of data protection that has developed since information has been typically handled through IT has merely reinforced a commitment to privacy, which has always been part of the tradition on the Inland Revenue side of HMRC and should be absolutely in the DNA of a tax-gathering organisation. It has always been part of the proud culture of our tax-gathering institutions that we cannot read in this country's newspapers information about the tax affairs of private citizens, which happens more regularly elsewhere. My biggest concern as a result of this event is the sense that that proud tradition of security in the tax-gathering organisations is being put at risk. Why is it being put at risk? I think that it is because at exactly the same time as the risk of this material being easily disseminated as a result of the development of modern IT, there is less and less respect for this country's traditional defences surrounding the principle of privacy. Let me enlarge a little on that point.

We are talking about data held by HMRC, to which the National Audit Office wanted access in order to do its job of ensuring a proper audit trail and proper control on the use of Government money. Nobody would disagree with that. What we have not heard in this public debate is any evidence that anyone has asked this question: the NAO wanted this information, so what information should have been provided to it? There has been a debate about whether it should have gone on CDs or should have been encrypted, but not about whether the information should have been provided to the NAO at all and, if so, which level of information. There was a discussion and a decision was taken—we believe, but we do not know—by a relatively junior official or junior manager. Let us not enter that debate, but a decision was taken at a relatively junior level that information should be provided by HMRC to the NAO in a more generous form than the NAO was asking for and purely on cost grounds. Nowhere in the debate can be seen what I would have hoped for—a sense within HMRC that this is highly confidential information, protected by law and in respect of which HMRC has the role of trustee on behalf of the taxpayer or benefit recipient, which should not be provided to anyone else, including the NAO, unless very clear reason is given within statute.

John Hemming: On that point, does the right hon. Gentleman agree that one alternative would have been for HMRC to say that it would not send a copy of its database to the NAO, but it would allow its experts and auditors to come to HMRC in order to audit the information?

Mr. Dorrell: I agree with the hon. Gentleman that if—it is a very big if—there were good reason for the NAO to see the information, the obvious way to do it would have been for the NAO to get on the train and travel to see it in the place where it was kept. If I may say so, that still omits what I consider to be the key issue at stake here, which is whether the NAO needed to see the information in the form provided. Since the NAO itself did not even ask for the information in the form provided, it amounts to a catastrophic failure not of system, but of culture, within the tax-gathering organisations. That is the theme that I want to focus on.

"This will save us £5,000, £10,000 or £20,000, so we will send them a disc because it is convenient". No, sir. This is information in respect of which HMRC is trustee, so it should have a deep-seated culture in the very DNA of the organisation— particularly in the days of modern IT—that such information is its own for its own purpose and should not be made available to anyone else, including the NAO. The NAO, of course, has a job to do and must be able to do it, but that poses a question: how much information does it need and can it be provided in anonymised form or in a form capable of protecting the privacy of the individual? Yet none of those questions appeared even to have occurred to people in HMRC, much less properly considered, as they should have been, at a senior level within the organisation.

The failure revealed by those events is not a failure in respect of who has got the password or the technical defences of the information; it is a failure of culture at the very heart of government. What concerns me most is that the responsible Ministers do not appear to have recognised that this is not a failure of authority levels and technical trip words; they have not seen that it is a failure of culture, which goes much more to the heart of government. It is exactly the same issue highlighted during the inquiry into how we got drawn into the situation in Iraq, when the sofa style of government came in for so much criticism. It is the train of thought at the heart of the government that sees process as a bore and believes that men of good will do not have to go through legal processes or have a proper audit trail because we can somehow find our way quickly to the right solution because we are doing it all for the best of all possible motives. Once again, no, sir.

We fought a civil war to establish the principle that we live in a society based on law, and that—most important of all—within that society based on law, law binds Government. What I see in this whole sorry story is yet another illustration of the fact that the Government do not have a proper understanding of the importance of the principle that a society of laws must start at the top, and the culture at the top of government must respect the fact that it is bound by law and must act only within it.

When someone from the National Audit Office asked for this information, the instinct should not have been to say "As we are all working for the same Government, let us be helpful." The instinct should have been first to say "No, you cannot have it", and secondly to say "Why do you want it?"—not in order to be difficult or to obstruct, but because that is how people behave when they live in a society based on law and not on discretion.

2.41 pm

Rob Marris (Wolverhampton, South-West) (Lab): What a pleasure it is to follow a rather unfortunate speech, if I may say so, from the right hon. Member for Charnwood (Mr. Dorrell). I say "unfortunate" because although it was an extremely good speech that touched on some key issues, it was the sort of speech that should have been delivered by someone on the right hon. Gentleman's Front Bench, and it rather showed up the threadbare nature of his Front Bench by looking at the bigger picture.

The debate arises

"as a result of this extremely serious failure on the part of HMRC to protect sensitive personal data entrusted to it in breach of its own guidelines."—[*Official Report*, 20 November 2007; Vol. 467, c. 1102.]

Those are the words used by my right hon. Friend the Chancellor in his statement last week, and I have to say, in a partisan way but trying to be dispassionate, that I rather prefer his approach to that of his opposite number the shadow Chancellor. I thought that the Chancellor spoke in a rather measured, considered, calm way, whereas the hon. Member for Tatton (Mr. Osborne) did not do himself justice. He tended far too much towards the bluster and rhetoric end of the spectrum.

The hon. Gentleman and his colleagues were, rightly I think, attacked by the Chancellor for trying to score cheap political points. I, as politician, do not have a problem with someone who is trying to score political points, and nor in my view should any politician; but trying to score cheap political points on the back of 25 million people's records going missing is not helpful. Let me give an example of what I regard as a cheap political point made by the Opposition. Following at least two interventions from my hon. Friends, the hon. Member for Blaby (Mr. Robathan) repeatedly said from a sedentary position "Tory gain". I consider that to be the sort of cheap political point that does not help the debate at all.

I much prefer the amendment tabled by my right hon. Friend the Prime Minister on behalf of the Government to the substantive motion tabled by the Opposition. While I think it important and helpful to have this debate—although I also think it is happening at a rather early stage in the unfolding of events—the amendment seems to me much more forward-looking and constructive than the Opposition motion, which strikes me as rather negative and, in fact, not at all constructive. That is not to say that it is completely without merit. It does draw attention to the fact that 25 million citizens' records went missing, and notes that that represents a

"failure to protect the personal details"

of those citizens, which is absolutely right. The Chancellor of the Exchequer has apologised for that, and so has the Prime Minister.

Apologies in themselves, of course, are not enough, although they are important in almost any walk of life in terms of basic human decency and politeness. When we have a huge problem, however, as we do with the missing discs, I think that many people outside the House would say "There is a problem within Her Majesty's Revenue and Customs. Whom would I prefer to have on my side trying to sort it out?" It has been acknowledged throughout the House that it is a huge problem—nearly half the citizens of our country are involved—but although

those people might well conclude that they would rather have the right hon. Member for Charnwood on their side than those on his Front Bench, I think that many of them would prefer to have the Chancellor of the Exchequer and the Prime Minister on their side trying to sort out acknowledged problems.

John Hemming: The hon. Gentleman expressed support for the Government amendment, which refers to action taken by the Government. Does he not share my concern about the fact that the Government are not requiring every single disc sent out by HMRC from now on to be encrypted? At present, the only real difference is that a more senior person will have to sign off the loss of 25 million records.

Rob Marris: I think we should be a little careful about adopting that approach. Kieran Poynter is conducting a review whose interim recommendations are due to be delivered by 14 December. The hon. Gentleman has considerable experience in computer matters and I understand his request, or demand, for encryption, but I think that such a step would be too much in the tradition—on occasion, the Government have been rightly criticised for this—of setting up reviews and then failing to wait for their outcome before acting.

John Hemming *rose—*

Rob Marris: If the hon. Gentleman will forgive me, I shall carry on for a bit. He raised the question of encryption. Today is 28 November, so 14 December is 16 days away. As far as I know, the absence of the Kieran Poynter recommendations and the Government's response to them would not prevent any Government Department or agency wishing to encrypt from doing so straight away, and I would be surprised if that was not being done. Perhaps it is not. Perhaps the hon. Gentleman can tell us.

John Hemming: The Chancellor said that there was no requirement for encryption. So one more horse could bolt through the stable door that has not been closed before the review produces its interim recommendations.

Rob Marris: The hon. Gentleman is absolutely right, but for the moment I would prefer to wait for the Poynter review.

Stewart Hosie: I have a problem with the Government amendment. It asks us to support

"the steps which have already been taken to improve the department's data transfer processes",

but does not mention improving data access and copying processes. How can we support a proposal that makes no mention of security tokens, algorithm-based one-time passwords, USB cards, PINs or any of the other technical interventions that are required to stop the problem? All that we have are vague guidelines that have been breached at least three times in the past year in this Department alone.

Rob Marris: I am grateful for what the hon. Gentleman has said, because it brings me conveniently to the next part of my speech, which concerns the relationship between Ministers, Government Departments and Government agencies. Let me quote again from the Chancellor's statement last week:

"In terms of protecting confidential data, Her Majesty's Revenue and Customs is operationally independent of Ministers. It is established by statute and run by its chairman, Paul Gray, and a board of commissioners who are responsible for its operations".—[*Official Report*, 20 November 2007; Vol. 467, c. 1102.]

What is difficult for all politicians to deal with is how operationally independent agencies and staff are within Departments.

Stewart Hosie: As I do not have a copy of *Hansard* with me, I speak from memory, but did that paragraph not end with the Chancellor's saying that the responsibility stopped with him?

Rob Marris: Overall the Chancellor of the Exchequer is responsible for the Treasury, and Her Majesty's Revenue and Customs is an agency of the Treasury. The hon. Gentleman goes on about the technical ways in which the problem might be dealt with—logarithms, encryption and so forth—and such suggestions are helpful in the House of Commons, but I think that as politicians we should beware the temptation to micro-manage. The official Opposition consistently make allegations about the Prime Minister's being a control freak, but when it comes to a terrible experience such as this, there seem to be calls from some parts of the House for micro-management.

Unlike some hon. Members on both sides of the House, I have done my own small bit before coming here, aged 46, in running organisations. I helped to run a small business in the shoe sector and was a partner in a law firm that had a turnover of approximately £30 million a year; it was not a huge organisation, and not a tiny one. Before anyone asks, let me declare an interest, inasmuch as I am a non-practising solicitor with the organisation Thompsons, in which I was a partner giving money, as declared in the register, to my constituency Labour party. I do not want any misunderstandings about that. I was a partner there for a number of years, so I have some experience—not a huge amount—of helping to run organisations.

If one is going to run a successful political, commercial or public sector organisation—I have no management training, along with the majority of Members, I suspect—one is constantly urged to delegate. When one delegates, one runs the risk that those to whom one has delegated a task will mess it up. That is in the nature of delegation, which is why so many people find it so hard to delegate; they cannot tolerate the thought of a foul-up.

When one has delegated, one has a responsibility to monitor the actions and sometimes inactions of those to whom one has delegated. When one finds that the person to whom tasks have been delegated has either failed to carry them out or has carried them out incorrectly, one should take decisive action to address those faults when they are discovered. One should of course have a process to monitor things so that one proactively discovers faults.

That broadly seems to me the position of our Chancellor of the Exchequer. There were faults in HMRC, as acknowledged by the Chancellor in the House on 20 November, in statements to the media since and certainly here today. That has also been acknowledged

[Rob Marris]

by Paul Gray, who was the chair of trustees of HMRC and who immediately fell on his sword when it became apparent that there had been problems in the organisation. Pick holes as the Opposition might—so they should; that is the role of an Opposition in a parliamentary democracy, which we are pleased to enjoy—one must ask whether decisive action has been taken. I think it has. Is the organisation aware of the problem and how it happened? It is quite clear from what has been said, particularly by the Chancellor, that the overall organisation, as it were, is aware of how this happened. The leadership within HMRC and, on the political level, within the Treasury as exemplified by the Chancellor has a plan that commands some support as to what to do to address the problems with which the organisation is faced.

The Chancellor and his team tick all the boxes on that, to use our modern jargon. They have perceived the problem—problems can be hidden in organisations for years, as we all know—taken decisive action and come to a preliminary view, which will be assisted by Kieran Poynter's report as to how it came about. They have also come to a preliminary view, again to be assisted by the report, on where we go from here and what we do to prevent a reoccurrence.

John Mann (Bassetlaw) (Lab): My hon. Friend is using his previous professional expertise to persuasive effect. I always think that lawyers speaking on issues other than the vested interests of lawyers bring strength to this House. Logically, is there not an additional aspect that needs to be brought into the equation—the role of Parliament? Parliament appoints Select Committees, including the Treasury Committee, which is chaired by a Government Member, and its Sub-Committee, chaired by an Opposition Member, with a precise remit to look at exactly the same issues. The Treasury Sub-Committee, on which I once served—I take as much responsibility as any other Member—looks at the precise workings of this particular agency of Government.

Rob Marris: In this case, flattery will get my hon. Friend everywhere. I broadly agree and he is right about Select Committees and Sub-Committees. He will recall that I said that the Opposition were picking holes and were right to do so, in that that is what Oppositions should be doing in a parliamentary democracy.

Mr. Kemp: I very much agree with my hon. Friend's call for a rational debate. Does he agree that some of the derogatory press comments about the town of Washington do not contribute to that rational debate? Those comments include some suggesting that the town is full of run-down high-rise tower blocks, of which it has none, and others about the low expectations of the people. It would be better to have a rational debate rather than such comments about a proud and successful town.

Rob Marris: I certainly agree. Many of my hon. Friend's constituents work for HMRC on child benefit. Derogatory remarks about the town of Washington or about everyone who works for HMRC—one sometimes gets a flavour of those remarks—are not helpful to a constructive debate. Clearly there have been problems in HMRC, to state the obvious. If Members of this House and members of the public stopped for a moment and wondered how widespread those problems were, they would see that the results are very serious but the causes are a few people who made mistakes. That makes the issue much more difficult to address, but we are starting to do so. A few people were involved and not everyone who works for HMRC, whether or not they include my hon. Friend's constituents from the fine town of Washington or elsewhere. We need a measured and constructive debate.

Mr. Graham Stuart: There have been 2,000 security breaches in the organisation. The reason why the House and the Opposition are so determined to hold Ministers to account is that a Minister, the then Chief Secretary, the right hon. Member for East Ham (Mr. Timms), told the House in May:

"HMRC take confidentiality very seriously and have robust procedures in place to protect information provided by claimants."—[*Official Report*, 18 May 2007; Vol. 460, c. 952W.]

That categorical statement was made to this House by a Minister, but what it says is not the case. There have been further breaches, of which the one in question is just the most egregious. It is therefore for Ministers to take responsibility. The weasel words of the hon. Gentleman and his colleagues do not do justice to the seriousness of the issue.

Rob Marris: If the hon. Gentleman will allow me, I will respond to that bluster later in my remarks.

Having talked about process and a constructive debate, we have to be aware of what the hon. Member for Twickenham (Dr. Cable) said in an extremely constructive and helpful speech—I did not agree with every word; Members would not expect me to—about the ease of being wise after the event. The official Opposition must be careful about hindsight, as must we all. I lived in Canada for a number of years and followed the Canadian football league, and I know that there is something called a Monday-morning quarterback. It takes place with 20:20 hindsight, as Sunday's game is discussed on the Monday and people talk about all the plays that could have been made. That is the benefit of hindsight.

Let us look at the Government's proposals that now, with hindsight, the official Opposition support. They argue for more houses, transparency in party funding, the benefits of migration and immigration, Islamic finance initiatives, some central control over the botched railways privatisation, police and community support officers, the benefits of flexible working, the NHS being free at the point of use without patient vouchers, passports and all that nonsense, rights for lesbians, gays, bisexuals and transgender people—

John Hemming: Will the hon. Gentleman give way?

Rob Marris: No, I shall carry on. Other such issues include maternity leave, paternity leave and adoption leave, the national minimum wage and, on another Treasury matter, the independence of the Bank of England. They say, "Oh yes, with hindsight, we should have had that policy, but Labour got there first."

John Hemming: The hon. Gentleman perhaps misses the point. Yes, the task was delegated, but policies

should have been established and enforced by the Government. Underlying everything, is there not the attitude problem that was highlighted earlier? The attitude problem from the Government is the view that the people are there to serve the Government, rather than the Government to serve the people. Things are done and risks are taken with people's data for the convenience of the Government and the ease of bureaucracy, when the Government should serve the people.

Rob Marris: That is a fine sentiment, but I do not want to get drawn too far down that track. I caution the hon. Gentleman to be a little careful, because I suspect—I do not know, because I do not attend his advice surgeries—that, like me and every other hon. Member, he has many people coming to those surgeries who want the Government to do things for them. In fact, part of the difficulty that we have with a segment of society is its over-dependence on the Government. The way in which that issue is refracted by politicians—this is too often but not always the case—is by their saying, for example, "We have a problem with obesity, let the school sort it out." There is sometimes too much of a desire from a segment of the population to have the Government do things for them.

John Mann: I raised the question of hindsight earlier. Did my hon. Friend foresee this problem, as one of the 650 elected Members of Parliament? I did not see it coming, and neither did the Treasury Sub-Committee on which I served, which was chaired by a Conservative Member. Otherwise we would have had the opportunity to call HMRC to account, to visit and question staff, and to delve under the surface of what was happening. Perhaps we should all apologise.

Rob Marris: I am not sure that we should all apologise, but my hon. Friend is right. If we were blessed with such hindsight, we would go to the excellent racecourse in Wolverhampton and put on bets on events for which we knew the outcome. I hope that the Treasury Committee and its Sub-Committee will look into the matter thoroughly.

John Mann: The point is that the Treasury Committee and Sub-Committee are specifically delegated by Parliament to investigate such organisations, so that parliamentarians from different parties can get under the surface of what is happening. Is this not a classic case in which although hindsight is wonderful, if such an investigation had happened in the past few years, the problem might have been identified? Therefore, do we not share a responsibility for failing to have the vision to spot the potential problem?

Rob Marris: I agree that we have a shared responsibility, and some people are prone to think that they could have had the foresight to see what might have happened. I hope that the debate will show the House in a good light and as being prepared to look constructively at difficulties in the running of government, with a positive contribution from at least some Opposition Members. I hope that we can give a few pointers for the Committee—or even the Conservative-led Sub-Committee—when it examines the issue.

John McDonnell (Hayes and Harlington) (Lab): I had not intended to comment on the debate, because it is untimely and precipitous; given that the inquiry has not reported. However, I remind my hon. Friend that, in the debate on the merger that formed HMRC, several of us raised the implications of staff cuts and management issues, including the Lean system. We have also raised the closure of Inland Revenue offices and the impact on services. Those were indicators of possible problems, and I hope that the inquiry will address those wider issues.

Rob Marris: I understand my hon. Friend's points about staff cuts; he is well informed about such matters through his links with the Public and Commercial Services Union. I understand the concerns about staff cuts, which were also raised by the Select Committee on Work and Pensions, of which I was a member, in the last Parliament. However, from the information of which I am aware—it may be only a small piece of the canvas—it is not staff cuts that have led to the present problems.

John McDonnell: It is inappropriate to pre-empt the inquiry, but any inquiry should extend beyond the narrow issue. We know, from HMRC's staff survey, that morale is at its lowest in its history, or in that of the predecessor organisations.

Rob Marris *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Gentleman resumes his speech, may I point out that the Chair is encouraged to place time limits on speeches when a sufficiency of Members indicate a wish to speak? On this occasion, the evidence before Mr. Speaker suggested that no Labour Members wished to speak in the debate. No time limit was therefore imposed. I ask the hon. Gentleman to respect the difficulty that the Chair had in judging the situation and be aware that others wish to contribute to the debate.

Rob Marris: I am grateful for that very helpful guidance. I have reached the final section of my remarks, which I shall try to keep brief, and I shall not take any more interventions.

As politicians, we have difficulty in coming to grips with the fast-changing world of information technology. I do not say that every hon. Member has that difficulty, but I struggle with it, and from talking to colleagues, I know that they do so as well. Part of the problem is the average age of Members. Much of the information technology around us has come on to the scene while we have been adults. Most Members can deal with e-mails, texting and spreadsheets, but we struggle with the process—the epistemology and methodology. The previous Government struggled with that, and so have this Government in the past 10 years. So have computer suppliers, such as EDS, which has a rubbish record, as I discovered when I served on the Work and Pensions Committee.

The idea that technological transformation will make an organisation more efficient only works if it is accompanied by business transformation. We have struggled with that as a concept. We also have difficulties with the

[Rob Marris]

desire for privacy on the one hand—understandably so, as 25 million citizens have had their privacy potentially invaded by the loss of the discs—and on the other by an experience that I suspect we have all had at one time or another of phoning an organisation and, after being kept on hold and told to press various buttons, being asked for information that one has supplied on previous occasions. One often wishes that the organisation had kept that information. The Government have tried the "ask once, use many times" approach that has been adopted by other large organisations, but it is difficult to balance that with the need for privacy. That balancing act is not always got right, and it is something that the House has never really discussed. We talk about whether IT initiatives have cost more than expected or have produced the desired outcomes, but we do not deal with their more philosophical, business transformation aspects.

It takes a problem such as the one that we are debating today to highlight the difficulty that I have described. The House needs to pay more attention to the broader, philosophical background to which the right hon. Member for Charnwood adverted in his speech. We need to deal with the immediate problem, but we should also take a step back so that we can see where our society, in which the Government are a leading player, is going in respect of IT systems and privacy. People may wish that they did not have to give the same information many times, but they also have an overwhelming and understandable desire for privacy when information is held by organisations.

3.11 pm

Mr. John Redwood (Wokingham) (Con): I rise to support the wise words of my right hon. Friend the Member for Charnwood (Mr. Dorrell), and the words of my hon. Friend the shadow Chancellor. My right hon. Friend was right to say that, above all, we are debating a cultural issue. It is a matter of grave concern that HMRC does not regard looking after data as its fundamental duty, and that it does not consider that the customers or taxpayers whom it serves have every right to expect the highest possible standards when it comes to protecting the very important and extensive personal data that they are forced to give to the state, on pain of prison, so that taxes can be calculated and levied.

We are discussing accountability. We have held this debate because we think that the Chancellor of the Exchequer did not tell us enough when he first made a statement to the House—let alone today—and that he did not explain all the details that he knew at that time. The doctrine of ministerial accountability has moved on in recent years, and I welcome that. Twenty years ago, a Minister who had presided over such a major disaster would have offered to resign automatically. There would have been no question about that, but I do not think that it is fair or right for a Minister to resign if a junior official goes against the rules or makes an egregious error about which the Minister can know nothing and whose outcome he or she certainly does not seek. If we were looking in this debate at a single error made by a junior official about which the Chancellor knew nothing, there would be no question to answer under the new doctrine of accountability. However, the contention of my hon. Friend the shadow Chancellor is that we are looking not at one error but at a series of them. Some have said that there have been 2,000 errors of a similar kind, although not all on the scale of the most recent one, but my hon. Friend has contended that it is part of the culture, and therefore possibly a fault of the policy, that such things are happening at all.

That is why I asked the Chancellor of the Exchequer whether, in light of recent events, he had made changes to the procedure and policies that govern the handling of data. He answered that he had made one change. The hon. Member for Twickenham (Dr. Cable) and others did not think that that was sufficient, but the implication of the Chancellor's reply is interesting, as it suggests that he felt that the existing system was not adequate and needed to be changed. In addition, the Chancellor has appointed a committee of inquiry to see whether the system as a whole needs changing and improving, which suggests that the problem did not arise through one official making a mistake but through a systemic failure inherent in the policy.

The most important error to have occurred has not received enough attention. In March, a similar volume of information was sent in a similar manner. Fortunately, the discs did not go missing, but that event should have alerted the previous Chancellor of the Exchequer to the seriousness of the possible problems that such sloppy data handling could cause. If anyone is culpable, therefore, it is the former Chancellor and his junior Minister responsible for these matters, as they did not respond when things went wrong. Could they have responded? Did they know? We now learn that a senior manager in HMRC was well aware of the error in March, and it does not speak well for the leadership provided by the then Chancellor and other Ministers that that official did not pass on the information to the Chancellor's private office—or, if he did pass it on, that the former Chancellor and the responsible Minister did not understand its significance, and therefore did not take action.

That brings me back to the question of culture. No one on the Opposition Benches with experience of running Departments or big companies—I have had the privilege of doing both—believes that a single person can possibly know every decision, read every e-mail, or be copied into every transaction. That is why I accept that errors will occasionally be made that are not the wish of the person at the top. Since such errors are not inherent in the policy or culture laid down by that person, I believe that he or she should be forgiven. However, the culture at HMRC did come from the top and it seemed to say, "We do not regard the sanctity of personal data as crucial. We do not think that should be your No. 1 duty."

I suspect that if we could see more of the relevant e-mail traffic and memos we would discover that Ministers wanted the merger of Revenue and Customs to give rise to a more aggressive Inland Revenue that got more money out of more people, more quickly. Since the merger, I certainly have received many more complaints from constituents, very often to the effect that HMRC has extracted money on rather bogus arguments, or incorrectly. It has then had to return that money. I suspect that the cultural shift that the then Chancellor orchestrated and sent down the line was that he wanted the new merged organisation to be much better at

collecting more money from people and companies. If that is the culture being promoted, it is not easily compatible with one that is customer friendly. In a customer-friendly culture, staff would be told, "Your No. 1 priority should be to treat customers well, and that means that you must look after their data."

Others have said that what has happened demonstrates that the Government cannot be trusted with the wider range of data collected for ID cards. Naturally, I agree: the public are now extremely suspicious of the Government's ability to handle data and of their trustworthiness in dealing with that information. In the days ahead, Treasury Ministers who want to rescue their ailing position on data handling must demonstrate that they have learned the lessons and that they have put in place a system that will not allow such errors to happen again. However, the evidence from the Chancellor and other Ministers on the Treasury Bench today gives us no sign that we are about to reach that happy situation.

We have been told that one change has been made to the relevant procedure—something to do with the internal post at HMRC. We have heard nothing about encryption, or about reducing the amount of data that can be moved, either on a disc or in some other manner. We have heard nothing about introducing personal couriers to transport such sensitive data, or about reopening discussions with the NAO about how much data are needed and on what basis. My understanding of audit procedure is that it is done by sample, so why on earth were the records of 25 million people sent through the post? Could not a proper sample have been made? We have heard no explanation from Ministers as to why auditors cannot go to the data, rather than the other way around.

It is pathetic that so many days after the scandal was first reported we have not had a straightforward statement from someone on the Treasury Bench about how elementary protections and precautions for data handling and transmission have been put in place. Such defences would be expected in any medium-sized company, let alone a large one. We also need to know why the Chancellor has been so dilatory in coming to the House, and so reluctant to have information dragged out of him. It is apparently fine to share with the world, through the postal system, the unprotected records of 25 million people, but when it comes to data that this House needs—such as where the £25 billion used for Northern Rock, has come from and the asset protection that has been put in place—we are not allowed to have it. When it comes to information on what action the Chancellor plans to take to deal with the data-handling shambles, we are not allowed it even after a full debate and a statement.

The Chancellor's Department at senior level knew about the problem on 8 November. We are told that it was two days before the Chancellor was told, so that shows that he had not told his staff that such things were important or mattered to him—otherwise they would have told him immediately and not taken the risk. It then took him another 10 days, until 20 November, to come to the House of Commons to tell us what had gone wrong. That does not speak well of a Government who believe in Parliament and think it central to our national life; nor does it speak well of a Government who claim to care about people's data. If the Government knew 12 days beforehand that the data might have been stolen, and had certainly gone walkabout, why were the public not told and warned then? Why were they not told and warned through the natural route—a full statement to this court of Parliament? That is what should have happened.

The Chancellor's excuse is that he wanted time to talk to the Information Commissioner. He then tried to blame the banks, although they were told only on the Friday evening. The Chancellor now says that one or two banks wanted a bit more time, but it was hardly sporting of him to take up all the working days of the week, keeping the information to himself, telling the banks only on Friday evening when, no doubt, officials and Ministers wanted to go home and leave the banks with the problem over the weekend.

That reeks of a Government who are after our money but not out to give us service. It reeks of a Government who speak about the importance of democracy but do not treat the House of Commons seriously. It reeks of a Government who claim to value the people of this country but who cannot be bothered to tell them promptly when the Government make a mistake. It is a disgrace and it is high time that Ministers on the Treasury Bench came up with a better defence and some resolute action so that we can be reassured that in future they deserve to handle our data.

3.21 pm

Dr. Nick Palmer (Broxtowe) (Lab): I am aware that a number of Members want to speak so I shall try to be reasonably brief. I shall try, too, to follow the example of the hon. Member for Twickenham (Dr. Cable), who gave a serious speech, in contrast to the one we have just heard and the one from the shadow Chancellor.

This is a serious matter that affects half the country, as we have all repeatedly said, and as other Members have pointed out, it raises issues that affect the public handling of confidential data in general. As my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said, there is a trade-off in all such situations between considerations of efficiency and considerations of security. That is true, too, in private industry. I was in IT management in the private sector for 18 years and we were constantly confronted with that issue.

The instinct of IT professionals throughout the industry, public and private, is to give the user what he wants and, if necessary, cut a corner. That is human nature and we have to recognise it and deal with it. We need clear guidelines for what IT professionals should do in every conceivable situation and who they should address for advice in cases where something unanticipated arises. If they follow those procedures we should protect them.

There is a tendency in the House and elsewhere to describe all safeguards as red tape until they are actually needed, when they suddenly become matters of life importance. We do not often make speeches in favour of red tape, but sometimes we need to point out that red tape is necessary to slow down the action of people eager to provide information they have been asked for, against the wider interest.

I have a few suggestions about the issues that we should focus on. In exchanges with the hon. Members for Twickenham and for Birmingham, Yardley (John Hemming), I made a point about field-level security.

[Dr. Nick Palmer]

The hon. Member for Twickenham responded that it was not a question of how many fields were accessed but of the number of records. In fact, there are three axes: the number of people who can access the database, the number of records in the database and the number of pieces of information—fields—they have authority to access.

Let us consider the parliamentary database and our famous expenses, which the press are always keen to study. It is entirely appropriate that the press can see the field showing our expenditure on correspondence. However, it would not be appropriate for the press to be able to access fields showing individual correspondents—the people we have written to and what we wrote about. That would intrude on the privacy of those individuals.

In a sense, it is a red herring to say that the key issue is whether there is greater security in having one huge central database or a lot of distributed ones, and arguing that distributed databases are more secure. That red herring comes up often in the debate on ID cards. As an IT professional, if I have access to 18 databases, bringing them together to produce a single report is a trivial matter—that is not the problem. The problem is not the central database, but access to the individual data items within it. If someone in the health service, or any other body, has too much access to individual pieces of information, the problem needs to be addressed now; it will not get any worse if we add fingerprints. In fact, it would become less intense, because there would be extra safeguards. However, I agree with Members who suggest that there is a problem in the handling of public data generally: because of the sheer volume of data, we have allowed convenience, and even user-friendliness, to take precedence over individual protection.

My second suggestion relates to limits on mass bulk transfer. In retrospect, we can all say that it is self-evidently absurd that the National Audit Office should want 25 million records. In fact, the NAO denies that it made that request, but as it would obviously be impossible to read 25 million records at that point, an alarm bell should have gone off. However, the fact that it did not is not really the point; the point is that there was no bar to the official concerned saying, "Well, let's make life easy. We'll answer quickly and download the lot."

There should be more red tape and greater protection where large volumes of data are involved. In the narrative the press are trying to construct to show that everything is chaotic, cases have been cited recently of constituents receiving letters with information about one, three or five other people. That is bad and should not happen. However, I think that we can all agree that it is a problem on a different scale. It is the sort of problem that happens under every Government and has happened all the time that public data have existed.

The transfer of mass volumes of data, however, should be authorised at a senior level. I do not just mean that a procedure should be in place; I mean that there should be a technological block. It should not be possible for a junior official, or manager—we can argue all day about that—or anyone beyond the most senior people to authorise the transfer of that volume of data as a one-off operation.

A third point, which the hon. Member for Twickenham made much of, relates to routine encryption. Again, it is a question of convenience versus protection. In view of the shortage of time, I will not go into that in more detail. There is an additional cost if we insist on the routine encryption of everything. There might be a proportionality question, but I am content to leave that to the inquiry.

Fourthly, there should be an escalation of responsibility in exceptional cases. The Government and Parliament should do their best to set criteria for all the situations they can think of, but it should also be part of the standard culture that if someone encounters an exceptional situation they do not say, "I am an IT genius. I know how to get round this." They should say, "I don't know what to do in this situation. I'm going to my senior management." Most IT people accept that culture only reluctantly. The IT instinct is to say, "I can fix it." That has to be addressed. It is a serious issue at the centre of things.

Finally, as my hon. Friend the Member for Hayes and Harlington (John McDonnell) said, there is the question of staffing levels. We have reduced the staffing levels in HMRC. Her Majesty's Opposition think that we should reduce them further. It is reasonable to ask whether that process could have gone too far and whether the staffing levels reflect a number more than a detailed assessment and have reached the point at which a certain corner-cutting culture starts to set in. I do not know, because I do not know the detailed operations of HMRC. However, it would be helpful if the people who were looking into the matter were able to comment on that in more detail in the assessment.

I will not go on, simply because of the time limits. I was going to say a lot more, but the House will be relieved to hear that I am going to shut up.

3.31 pm

Sir George Young (North-West Hampshire) (Con): The hon. Member for Broxtowe (Dr. Palmer) will forgive me if I do not follow his argument, but a number of hon. Members have been in the Chamber since the debate began and deserve an opportunity to be heard. I speak as a former Financial Secretary, like my right hon. Friend the Member for Charnwood (Mr. Dorrell), and it is difficult to avoid a twinge of sympathy for the Chancellor of the Exchequer, who finds himself carrying the can for something that happened a few weeks after he entered the Department. In the narrow sense, the Chancellor clearly is not culpable in that he did not put the discs in the envelope. However, the House is interested in the broader questions that have been touched on during the debate and for which Ministers are responsible.

Ministers are responsible for the additional functions that they have placed on the department and the resources that they have given the department to perform those functions. Ministers, who sit at the top of the management chain, are responsible for sending down that chain the right signals to influence morale and performance—a job that they ignore at their peril.

On the first point, Ministers took two decisions. The first was to transfer to HMRC responsibility for child benefit. That responsibility originally rested with the Department for Work and Pensions. The decision gave the Inland Revenue a substantial new management

challenge, as well as a cultural shock, because it found itself paying out money instead of collecting it.

Secondly, Ministers merged the two arms of HMRC: the Inland Revenue and Customs and Excise. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and I looked at that option in the 1990s and rejected it. The client base and the culture were different, and we were not convinced that the economies were there. The Government came to the same conclusion in 2000. In response to the Treasury Committee's first report on the matter in 2000, the Government said that they believed that the synergies could

"be achieved without the risks, upfront and opportunity costs and structural upheaval which merger would inevitably entail."

The response continued:

"Thus, while the Government accepts that merger might bring some of the benefits outlined by the Committee, it believes that they can be achieved without the disbenefits of merger through a dynamic and focused programme of closer working."

In other words, the Government did not think that it was worth the gamble, but four years later they changed their mind.

The Chancellor and the Prime Minister have asserted that my party is somehow implicated in the rushed and botched merger of Revenue and Customs. I have looked at the record of the debates we had when the relevant Bill was going through Parliament. My hon. Friend the Member for Chichester (Mr. Tyrie), who was the spokesman at the time, said:

"Although we did not oppose the Bill on Second Reading, we had a number of major concerns about it. Merging the departments involved is a major change, and we are not convinced that it was given enough consideration by the Government or that its implementation was properly thought through."

He went on to say that he was

"worried that the measure might prejudice taxpayer confidentiality."—[*Official Report*, 6 April 2005; Vol. 432, c. 1520.]

He said that

"the retention of confidentiality...is at the heart of safeguarding...people's right to privacy and, therefore...their trust in the Revenue service. [*Official Report*, 26 January 2005; Vol. 430, c. 396.]

So when the Bill that merged the two departments went through the House, the Government had been warned that confidentiality was an issue.

The tax credit ingredient was then thrown into the pot, on top of the merger and the additional responsibilities. The Revenue had to run the most complicated financial interface between citizen and state—the tax credit system, which has displaced the Child Support Agency as top of the problems that MPs deal with in their advice bureaux. Ministers must take responsibility for the consequences of new responsibilities and the merger.

That leads me to my second point, which is on resources. In the 2004 spending review, the administration budget for all the Chancellor's departments was flat in nominal terms. A saving of 16,000 posts was pencilled in. Under the 2007 comprehensive spending review, departmental expenditure limits will decline by 5 per cent. a year for the next three years. That is a challenging settlement. The Chancellor had to pencil in those savings to make the sums add up, but I wonder whether they were thought through, and whether they are really deliverable. The Treasury Committee, which undertook a report on the efficiency savings in the Chancellor's Budget, concluded:

"Evidence received...shows that the indicators used...to measure the quality of...services are not adequate to assess the experience of service users, and in particular are not adequate to measure the extent to which its services meet the...needs of its...client groups".

That leads on to my last point about management and morale. There have been all sorts of warnings on that score. The tax faculty of the Institute of Chartered Accountants said:

"We are concerned that post merger the overall management structure of HMRC lacks clarity and focus. The lines of management accountability and responsibility are not always clear, either it seems to HMRC staff or to external stakeholders."

The Chartered Institute of Taxation gave evidence to the Committee in January, and said:

"we do have concerns about the current position of HMRC and their progress. We see them as an organisation that is under considerable pressure."

In my view, there is an audit trail involving policy, resources and leadership that leads back to Ministers. They cannot divorce themselves from the consequences of what happened down the line in the post room in Washington.

Finally, what conclusions should we draw? We need to await the inquiry, but I think that we can anticipate what it will say. It will be like other inquiries, such as those on transport or social services: it will say that primary responsibility rests with the individual who breached the regulations, as with the engine driver who went past a red signal, or the social worker who did not insist on seeing for herself the child on the at-risk register. However, those other reports went on to say that the signal was in the wrong place and the driver was not trained properly, and that the social worker had too many cases, but that their manager did not pick up on that. In that way, the trail goes up the management line. My money is on the same type of conclusion being reached in the case that we are considering. The Government have to be cautious about grandiose schemes, pencilling in large savings, major reorganisations, and ignoring warning signals—of which there were many. At the end of the day, the buck has to rest with Ministers, who should not resile from their responsibilities.

3.38 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Out of respect for other Members, who have been waiting to speak for a long time, I will try to keep my remarks brief. First, I reiterate what other Members have said: we are talking about a hugely serious mistake, and the Government have to take profound measures to ensure that it never happens again. I have to say that I think that my right hon. Friend the Chancellor has demonstrated exactly what good government is by coming to the House and apologising, and by the measures that he put in place to try to prevent any repetition of the problem. I fear that the rather knockabout contributions of Conservative Members, with one or two honourable exceptions, have not done justice to the importance and complexity of the issues.

There is a range of issues underlying the mistake that demands the most serious consideration in the House. The first issue was outlined by the right hon. Member

[Mr. Adrian Bailey]

for Charnwood (Mr. Dorrell), who spoke about culture. Why did the National Audit Office need that information and why did it try to obtain it in that way? There are huge questions about whether information was needed on that scale—I do not think that it was—and whether it was appropriate to deliver a disc from HMRC via a courier. One alternative that has been debated is the electronic transfer of information. I do not profess to understand the technology of the systems, but even the technological transfer of information is not absolutely safe or fool-proof. There is therefore a big debate to be had about the relevance of the information and how Government Departments should share it to guarantee its security as far as is humanly possible.

It is quite reasonable to assume that Government Departments will co-operate to ensure that information is shared if they need it to perform their operations. There is obviously a debate to be had about the proportionality of information sharing and the needs of different Departments.

That leads me to the second issue of systems. As a layman, I find it inconceivable that such important and comprehensive information should be stored and transported in that way. We have been assured—and I have no reason to believe otherwise—that it was against correct operational procedure, so it is important to ensure that Government Departments are security compliant with the provisions of the Data Protection Act 1998, and that the Information Commissioner operates effective monitoring systems. That appears not to be the case in this instance.

Thirdly, the balance of independence and responsibility is important. My right hon. Friend the Chancellor has accepted responsibility because the buck stops with the appropriate Minister. We have had a long debate about the appropriate scale of delegation, but HMRC is operationally independent and is headed by the chair of the trustees—the extent of his competence has drawn compliments from Members on both sides of the House—yet things went wrong. Ultimately, is it right for the Chancellor of the Exchequer to be expected to supervise and micro-manage an officer who is generally regarded as highly competent and capable of carrying out those functions? There is whiff of humbug about the contribution of some Opposition Members. I have been a Member of the House for many years, and have heard accusations levelled at the Chancellor, and the previous and present Prime Ministers for micro-managing and interfering in Government Departments. However, when they stand aside and let the professional run those Departments they are criticised for the mistakes that have been made.

The hon. Member for Twickenham (Dr. Cable) highlighted the wider issue of data protection and whether changes need to be made in the light of technological developments in the Government's delivery of services. What new level of protection, if any, is needed? The hon. Gentleman gave the example of someone who wanted to gain access to their central medical records. The logic of his argument was that if we wanted to guarantee that those records went to the appropriate person, a biometric ID card would be the best way of ensuring that. There is an element of contradiction in the hon. Gentleman's position.

Like many other hon. Members, I have spent 25 days with the police on a parliamentary police liaison scheme. One of the things that I heard from the police time and again was that ID cards would be a huge boon in helping them to deliver the service that we want. From the response to a question that I asked the Home Secretary earlier this week, it is already evident that biometric identification in passports for foreign nationals living in this country has contributed significantly to reducing the scale of illegal immigration. I ask Ministers not to resile from their position, but to recognise that there are huge data protection issues that need to be addressed before ID cards are introduced.

3.46 pm

Angela Watkinson (Upminster) (Con): I shall allow my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) time to speak, but in the few minutes remaining I want to introduce into the debate a facet that has not yet been mentioned—systemic failure in another department of HMRC: the one that issues VAT registration numbers.

The department has a target of issuing numbers in eight weeks. I shall use as an illustration a constituency case because I believe it to be typical. My constituent, Mr. Prutton, first applied for a VAT registration number eight months ago—I repeat, eight months. Persistent correspondence and telephone calls to the Newcastle office and the complaints department in Newry have got him nowhere. He submitted to HMRC a range of personal data—the application form, a questionnaire, invoices relating to his new business and, most importantly, bank statements. Those are not bank details such as the sort code and the name and number of his account, but bank statements showing movements and balances on his account. He has had no indication from HMRC's VAT department whether those documents arrived safely, whether his case is being considered or where it has got to.

Clearly, the department is a long, long way off its eight-week target. My office has been pursuing the matter for Mr. Prutton and there have been numerous phone calls to the office of the chief executive of the VAT department. I, too, have got nowhere, apart from promises. This morning, belatedly—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Lady, but I think that she is moving beyond the terms of both the motion and the Government amendment. There is a separate issue, I know, about VAT registration delays, but I do not think the case she is making fits in good order with the terms of the motion.

Angela Watkinson: I read the motion quite carefully and thought that I was making an argument for systemic failure in HMRC—I accept the Chair's advice, of course—and the security of individuals' data, which is another element of the motion. If you will allow me to continue, Mr. Deputy Speaker, I shall.

Mr. Deputy Speaker: If the hon. Lady can steer more in that direction, she may continue. The point about security is the main theme of the debate this afternoon.

Angela Watkinson: I shall curtail my comments even further than I had intended.

May I ask the Minister to do whatever she can to find out where Mr. Prutton's documents are, whether his case is being dealt with, and whether that is an indication of systemic failure within the VAT department? I received a letter this week from the Federation of Small Businesses suggesting that the problem is widespread and asking for something to be done about it.

3.49 pm

Mr. Philip Dunne (Ludlow) (Con): In the short time available to me before the wind-ups, I should like to focus on three specific aspects of this shoddy state of affairs. First, I want to speak up for the chairman of HMRC, Mr. Paul Gray, who has been a regular witness before the Public Accounts Committee and one of the few senior civil servants who has been prepared to acknowledge error where it has occurred within his department. He has had to deal with many difficulties arising out of the merger of the Inland Revenue and Customs, to which other hon. Members have referred. In this case, he saw the seriousness of the failure and was accountable in a manner that must be applauded across government and is in stark contrast to the approach taken by some of the other heads of department, on whose watches similar disasters have occurred. In such cases, they have not taken responsibility. Ministers must carefully examine how Mr. Gray has conducted himself and how they are conducting themselves. I applaud him for that.

My second point deals with the sequence of events and responsibility. As my hon. Friend the Member for Tatton (Mr. Osborne) pointed out in his opening remarks, the Government have been quick to blame junior officials. The National Audit Office e-mail exchanges with HMRC, which came out two days after the Chancellor's statement, are extremely revealing. In contrast to what the Chancellor said earlier, it is clear that there are two aspects to this calamity. The first aspect is that the CDs were put in the post and transmitted contrary to procedure—that clearly should not have happened. The second aspect is the decision to provide sensitive data, which is more fundamental and lies at the heart of this problem.

I understand that the NAO requested a set of data in order to verify its sampling methodology when it came to do the audit of child benefit, because that area of work had been taken within HMRC having previously been done by the Department for Work and Pensions. The NAO sought certain data, but those did not include sensitive data such as bank account details and addresses that would identify individuals. Several people in the department—not just a junior official—were involved in deciding to provide the full set of data.

That is made crystal clear in an e-mail of 13 March 2007 timed at "15:23". Because of the measures taken to protect the identity of the individuals concerned, we do not know exactly who in HMRC sent it, but we can see that it was copied to one person at the NAO—we presume it was sent to the NAO—and to three people in HMRC, one of whom, we are led to believe, is the process owner for child benefit.

The first sentence of the e-mail states that somebody had

"passed this over to me for my views."

It is thus evident that consultation was taking place at different seniority levels in HMRC on the issue of how much data should be provided. It continues:

"Your original request was for 100 per cent. scan of the data, and fortunately a scan was complete earlier this year, and we have shared this with you at no additional cost to the department."

The important bit is the fact that the e-mail goes on to state:

"I know you are meeting with Compliance and KAI colleagues on Wednesday and all your issues regarding data extracts etc should be taken up with them."

Two other departments in HMRC are involved—quite apart from there being a direct interface with HMRC—in making this decision. The e-mail goes on to say:

"I must stress we must make use of data we hold and not over burden the business by asking them to run additional data scans/filters that may incur a cost to the department."

That exposes the fact that this was all about saving money within HMRC and not about protecting data. That is where the Government have not come clean in their explanation of why we got into this sorry state of affairs.

In an intervention on the Chancellor, I referred to encryption and data protocols. It is lamentable that Treasury Ministers have not been prepared to tell us that they have undertaken a complete overhaul of data protection procedures in their Department. It would be refreshing if the Minister were prepared to be a bit more forthcoming about exactly what Ministers have asked to be undertaken in their Department. Perhaps she could also explain what distinguishes those procedures from those that were in place before this terrible state of affairs arose.

The Government do not seem to realise the impact of this data loss on our population. There is fury out there that such sensitive data could have been lost. People can no longer trust the Government with their bank details, so how can the Government possibly expect people to trust them with even more sensitive data such as those that will be needed for an ID card? I take no pleasure in saying this, but this Government have lost the trust of the people.

3.55 pm

Mr. David Gauke (South-West Hertfordshire) (Con): When the House was informed last Tuesday that the entire database of families receiving child benefit had been lost, there was a sense of shock on all sides. Details of every child in the country, details of the bank accounts of 7.5 million families, and details of 25 million people were downloaded on to two discs by a Government official, put in the post and lost. What has become clear in the past few days is the utter inadequacy of the Government's performance before and after this appalling breach of security.

As we have heard from my right hon. Friends the Members for Charnwood (Mr. Dorrell) and for Wokingham (Mr. Redwood), there is a failure of culture within HMRC in terms of respecting the sanctity of personal data. As my right hon. Friend the Member for North-West Hampshire (Sir George Young) said, Government policies have contributed to the strains put on HMRC. One of those strains, as my hon. Friend the Member for Upminster (Angela Watkinson) pointed out, has been caused by failures in VAT registration applications. My hon. Friend the Member for Ludlow (Mr. Dunne) showed how the information provided by the National Audit Office and the e-mails there put the Government's position in a very poor light.

[Mr. David Gauke]

There are three elements to the Government's performance in this matter: incompetence, complacency and evasiveness. First, on incompetence, last week the Government portrayed this security breach as the consequence of the actions of one individual. Before turning to the detail of that claim, let me make it clear that this was no isolated incident of failure. There is a long list of data security failures by HMRC, but its failures are broader than that. Business and professional organisations are damning of its performance, whether it be delays in VAT registrations, problems in filing online returns or inaccurate collection of income tax through pay-as-you-earn—not to mention the disastrous administration of the tax credits system, with billions of pounds being overpaid, billions underpaid and billions lost through fraud and error.

Let me run through some of the examples of data protection failures. In September 2005, the names and addresses of UBS customers were lost. In May 2007, 42,000 families' tax credits and bank details were lost. In August 2007, the details of 400 people were left on a laptop in a stolen car and lost. In October 2007, HMRC lost a package containing six discs that went missing in the post. In November 2007, it emerged that HMRC had lost a CD-ROM containing confidential data on 15,000 Standard Life customers. The loss of child benefit data is clearly not a one-off. Losing data appears to be part of the culture of HMRC. It does not mean to, but it is like the England football team adopting route one tactics or the Labour party getting embroiled in funding scandals. HMRC appears to be unable to stop losing data on a regular basis; it has form.

That brings me to complacency. On every occasion that data are lost, up pops a Minister to declare that it will not happen again—that it is a one-off. To be fair to the Chancellor, this time he did not say that, but that is what usually happens. Then they say that procedures are being reviewed urgently. We are always told that HMRC takes confidentiality very seriously and that it has robust procedures to protect information, yet still, within weeks or months, another breach occurs. Can Ministers honestly say that they are confident that another security breach is not on the cards? Are they confident, for example, that the tax credits database is secure?

Let us return to this particular security breach. What was the Chancellor's first response? Reasonably, he immediately instructed that comprehensive searches be carried out of all premises where the missing data might be found—fair enough. One might have thought that HMRC would have thought of that, but it is a reasonable first response. Given the seriousness of the breach, and the urgent need to recover the discs, one might have assumed that the instruction would not just have been issued immediately, but implemented immediately. Indeed, the Chancellor told the Commons that he asked for an immediate investigation to be initiated that weekend. But what the Chancellor did not tell us—we learned this only with the release of the NAO briefing paper last Thursday—was that it appears that NAO searched its offices for the first time seven days later, on Saturday 17 November. If I am wrong, I am happy to be corrected. If that constitutes an immediate investigation, no wonder satisfaction with HMRC is so low.

While HMRC delayed the undertaking of a proper search, what did the Chancellor do? The Government have consistently emphasised that there was no evidence of fraud as a consequence of the missing discs, as far as we know, but remember that at that time they did not know that because they had not spoken to the banks. There was a distinct possibility at that time that the discs were in the hands of fraudsters, and for all the Government knew, millions of pounds could have been being stolen from 7.5 million bank accounts. The Chancellor failed to tell the institutions that could do something about it—the banks—to prevent that from happening on the Monday, Tuesday, Wednesday, Thursday or for most of the Friday.

For four days, the Chancellor left our bank accounts vulnerable simply because he hoped that our discs would turn up, and only told the banks late on the Friday. The Chancellor would not, or could not, recognise the seriousness of the situation and take immediate and necessary steps to protect our security by letting the banks know. What is the Chancellor's response today? Sensitive data will be sent to third parties only with the consent of senior officials. But we know from the NAO e-mails that senior officials consented to the transfer to third parties when such a breach happened in March 2007, so today's announcement takes us no further on at all.

Let us look at evasiveness. Despite the Chancellor's protestations today, it was clear last week that the Government's case was that one junior official was to blame. The procedures were clear, but they were breached by a 23-year-old junior clerk, acting on his own. That was the impression given. He was left hung out to dry, treated no better than the deputy leader of the Labour party. But we now know that HMRC officials were involved in an e-mail exchange about sending the full child benefit data to the NAO, including the

"process owner for Child Benefit"—

a senior manager. It is clear from that e-mail exchange, as my hon. Friend the Member for Ludlow pointed out, that despite the requests of the NAO to strip out details relating to bank accounts, HMRC did not do so because of cost, and a number of HMRC officials, some of them quite senior, knew that to be the case. A HMRC manager—not an official, as the Chancellor said—made the decision to provide the full data.

At no point in the Chancellor's statement last week was that made clear. The Prime Minister said it was a matter of procedures being in place, but not followed. He said that the manual of protective security stipulated that any data sent out should have been encrypted. However, as *The Sunday Times* pointed out in its investigation, officials in the child benefit office

"had not even heard of the Manual of Protective Security, let alone been trained in its strictures".

An IT expert, Andrew Beckett, pointed out:

"The manual does not say which information should be encrypted. It's up to the senior responsible officer to determine the impact level of the information being compromised."

What happens in practice? We learn that private financial firms and advisers regularly receive CDs containing unencrypted sensitive personal data. Legal & General, Norwich Union and Prudential all said that that happened last week. Let us get some straight answers. How many officials had access to the child benefit database? How

many officials had authority to download it? How often were data sent out from Washington encrypted and unencrypted? Are other databases, which the NAO examines, such as the income tax pay-as-you-earn database, provided in the same way? How many officials knew that the full database was being sent to the NAO? How senior were the officials? Why did the Chancellor inform the banks six days after finding out about the breach?

The Government's explanations have unravelled. When the public have demanded openness and honesty, the Government have been evasive. When the crisis demanded decisiveness, the Chancellor dithered. When the country needed competence, the Government and HMRC were a shambles. Not only two computer discs, but the Government's credibility has been lost. For all the attempts to blame one young clerical assistant, the British public know where the blame lies—with the Government. I urge the House to support the motion.

4.5 pm

The Financial Secretary to the Treasury (Jane Kennedy): I appreciate that the subject of this debate concerns the House, and I thank all those who have contributed. Before I consider the detail of the discussion, let me say to the hon. Member for Upminster (Angela Watkinson) that I will look into the constituency case that she raised and deal with it outside the debate. That is probably the appropriate response.

Let me quickly thank my hon. Friends the Members for Colne Valley (Kali Mountford), for Wolverhampton, South-West (Rob Marris), for Broxtowe (Dr. Palmer) and for West Bromwich, West (Mr. Bailey) for participating in the debate, bringing to it great knowledge and dealing with it in a much more measured manner than some Opposition Members. The subject should be approached with the utmost seriousness.

The motion asks for an explanation of how the security breach occurred. My right hon. Friend the Chancellor set that out in his statement to the House on 20 November. He has been absolutely consistent and accurate in his comments in the House last week and today. The hon. Member for Tatton (Mr. Osborne), the right hon. Member for Wokingham (Mr. Redwood) and the hon. Member for South-West Hertfordshire (Mr. Gauke) are entitled to be indignant, but they should recognise what I believe all fair-minded Members would acknowledge: my right hon. Friend the Chancellor has the deepest respect for the traditions of the House, especially in how he deals with it as a Minister. My hon. Friend the Member for West Bromwich, West acknowledged that, for which I thank him.

As my right hon. Friend the Chancellor said, we do not have all the information that we need to establish what went wrong and how two discs containing highly sensitive and personal information came to be missing. That is why Kieran Poynter's report is so necessary.

The hon. Member for Tatton asked about letters and the competence with which they had been issued. Her Majesty's Revenue and Customs send out more than 7 million letters. That is a big logistical exercise. Up to close of business on 26 November, the child benefit helpline had handled approximately 39,000 calls from customers who were concerned about the data loss. However, it might be of interest to hon. Members to know, by way of comparison, that HMRC contact centres received on average 150,000 calls a day throughout 2006-07 on all their lines of business. That puts in perspective the way in which the public have rightly been able to access call centres to gain advice about their details.

We are not aware of the specific case of the letters that the hon. Member for Tatton mentioned. If what he said is true—I have no reason to doubt it—HMRC regrets that it has happened in a small number of cases. The details in the letters are not sufficient on their own to establish identity in order to open a bank account, claim benefits or in any way abuse an individual's identity.

The motion asks what policy changes will be introduced to protect the public in future. First, HMRC has immediately communicated to all staff three key steps that must be followed. Transfers must take place only if they are absolutely necessary, written authorisation for the transfer must be given by a senior HMRC manager and a clear instruction must be given regarding the appropriate standard of protection for the transfer. Where directors decide that a data transfer by disc is absolutely unavoidable, such media must in every case be securely encrypted at the appropriate level. Those changes are already in place.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Will the Financial Secretary give way?

Jane Kennedy: I am not sure that the hon. Gentleman has been present throughout the debate. I have a limited amount of time, so if he will permit me, I shall press on and try to respond to some of the serious and thoughtful contributions that have been made.

Secondly, Kieran Poynter, the chairman of PricewaterhouseCoopers, has agreed to undertake an independent review of our data-handling processes in HMRC. His report will be ready by 14 December. Thirdly, the Prime Minister immediately gave the Information Commissioner additional powers to undertake spot checks in relation to Government buildings. I was glad to see that step being taken. The Prime Minister has also asked Gus O'Donnell to ensure that all Departments' and agencies' procedures are being implemented in full and to identify where improvements can be made. I hope that that will serve as the reassurance that the hon. Member for Twickenham (Dr. Cable) asked for earlier.

The final part of the Opposition motion asks what policy changes will introduced to protect the public. Again, HMRC put in place immediate steps to improve data security. We have undertaken comprehensive steps to protect customers, to find the missing data and to ensure that the lessons are learned and that all efforts are being made to ensure that such a loss can never happen again.

A number of hon. Members raised proper questions on the steps that we are taking on encryption. It may be of interest to the House to hear what has been done. HMRC has established a central team to handle encryption on behalf of the organisation, to ensure that the proper deployment of encryption is used at the appropriate level. All bulk transfers of sensitive data using CDs are being encrypted and password protected where necessary. Those procedures were implemented on 21 November. [Hon. Members: "Ah!"] Hon.

[Jane Kennedy]

Members wanted to know what had been done in response and i am explaining what has happened. HMRC has removed the facility for staff to use CDs and other removable media, and only in exceptional circumstances and on approval at director level, as I have said, are staff given access. HMRC is also investigating the electronic transmission of data. It is consulting with the British Bankers Association and currently undertaking further talks to agree standards for and methods of deploying electronic transfers.

I thank the hon. Member for Ludlow (Mr. Dunne) for his comments about Mr. Paul Gray. I agree with the hon. Gentleman that Mr. Gray has given distinguished service to more than one Whitehall Department, as my right hon. Friend the Chancellor acknowledged last week. The hon. Gentleman went into detail about the three e-mails and about what they do and do not say. I say to him and every other hon. Member who has raised the matter that three e-mails do not tell the full story. That is why it is entirely appropriate that we wait for the inquiries. After that, the House will be able to judge the detail of what has happened. It is not a question of lack of resources or staff cuts; the breach of security should not have happened and there is no excuse for it. I am confident that had the procedures that were already in place been followed, the data would have been protected.

The hon. Member for Twickenham made a sensible and thoughtful speech. I have responded to his point about encryption, although I do not accept his point about a lack of scrutiny across government. I hope that the work that Gus O'Donnell is undertaking will ensure that the concerns that the hon. Gentleman raised are properly dealt with.

The right hon. Member for Charnwood (Mr. Dorrell), who gave the most distinguished service as a Cabinet Minister and for whom I have the highest regard, made perhaps the most serious speech to which I am going to respond. I hope that he will accept that my right hon. Friend the Chancellor and I have been entirely focused on what should be the proper way for data relating to customers of Her Majesty's Revenue and Customs to be respected. I agreed with a large part of his criticism. As I have said, procedures were in place. It is not the case that there is a systemic disregard right across Her Majesty's Revenue and Customs for the protection of customers' details. If the procedures that are in place had been followed, we would have safeguarded the confidential information that was requested by the National Audit Office. I know that the staff of Her Majesty's Revenue and Customs are horrified at the failure that we have disclosed to the House.

I know that the House is very concerned about the nature of what we have been debating today. I should like to leave hon. Members with a quote on the question of whether the merger should ever have happened. This also brings me to the final speech to which I wish to respond, that of the right hon. Member for North-West Hampshire (Sir George Young), whom I also admire very much. Mr. Jeffrey Owens, the director of the centre for tax policy and administration of the Organisation for Economic Co-operation and Development, has said the following in conversation with my office, and he is prepared to allow me to use this quote:

"The allegation that the merger of the Inland Revenue and Customs and Excise was a mistake is completely unfounded. The merger was the right thing to do and other countries that have taken this route have found that once the merger has bedded-in, real benefits start to flow through. In fact, out of the other 30 OECD countries there is only one that hasn't adopted this approach. Comparing the UK to the other OECD countries"—

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Mr. Deputy Speaker—

Mr. Deputy Speaker: Order. I think that the right hon. Lady has perhaps anticipated the hon. Gentleman, if she has completed the quotation and her speech.

Jane Kennedy: Can I just finish the quote, Mr. Deputy Speaker?

Mr. Deputy Speaker: In the spirit of the occasion, yes, if the right hon. Lady will do so briefly.

Jane Kennedy: Jeffrey Owens' very last comment is:

"Comparing the UK to the other OECD countries, it is quite clear that HMRC is one of the lead tax administrations, both in terms of service delivery and enforcement."

I shall await the inquiry, as I am sure will the rest of the House.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 235, Noes 312.

Division No. 011] **[4.17 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra

Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Lewis, Dr. Julian
Liddell-Grainger, Mr. ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Crispin Blunt and Mr. Richard Benyon

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda

Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Claire Ward and
Mr. Dave Watts

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House approves of the decisive action taken by the Government when it became aware of the data loss by HM Revenue and Customs, including the collaborative work undertaken in association with the UK Payments Association, the British Bankers Association and the Building Societies Association and through them individual banks, building societies and other financial institutions which enabled them to put in place appropriate safeguards and monitor any irregular activity; welcomes the decision of the Chancellor of the Exchequer to initiate an urgent investigation by the Metropolitan Police and his appointment of Mr Kieran Poynter to conduct an independent review of HM Revenue and Customs' data handling procedures; acknowledges the steps which have already been taken to improve the department's data transfer processes; and notes the Chancellor's assurance that he will keep the House fully informed of further developments.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Alan Haselhurst): I now must announce the result of a deferred Division on the motion relating to the global navigation satellite system and the European Institute of Technology. The Ayes were 267, the Noes were 201, so the motion was agreed to.

[The Division List is published at the end of today's debates.]

Prisons

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.32 pm

Nick Herbert (Arundel and South Downs) (Con): I beg to move,

That this House considers that the Government's management of the prisons system continues to be a national disgrace; notes that within the last two weeks the prison population has reached a record high of 81,547; further notes that a quarter of all prisoners are in cells designed for one fewer person; is gravely concerned that numbers of suicides in custody are rising; notes that the large majority of people in prison are serious, violent or persistent offenders who need access to effective rehabilitation which is not generally available; notes that two-thirds of prisoners re-offend within two years of their release, resulting in substantial cost to the criminal justice system; is concerned that at least 8,500 people have been released early from prison under the End of Custody Licence Scheme; notes that the Government has scaled back the prison building target for 2007 from 2,500 new places to only 700; expresses concern that the Government may be planning to link resources to sentencing as a means of reducing the prison population; disapproves of proposals to abolish magistrates' powers to impose a suspended sentence; and calls upon the Government to introduce honesty in sentencing, halt the End of Custody Licence Scheme and take immediate steps to ensure adequate prison capacity to hold all those sentenced by the courts in the interests of public safety.

This House debated the prisons crisis four months ago. We said then that the Government's management of overcrowded prisons was a national disgrace. So what has changed since then? The prison population has risen by over 1,200, but capacity has risen by less than 200. Some 4,600 prisoners have been released early on to the streets—a policy described by the previous Lord Chancellor as "simply wrong". More than 800 of those criminals have been violent offenders, and 26 went on to commit new offences when they should have been behind bars.

Millions of pounds have been wasted on accommodating prisoners in police cells. A Victorian wing of Norwich prison was closed by health and safety inspectors because sewage was leaking from broken drainage pipes. Prison vans are arriving late at night to drop off remand prisoners from courts hundreds of miles away because there are no spare cells anywhere closer. Twice as many prisoners are doubling up in cells as when the Government came to power. Nearly a quarter of the entire prison population is now housed in cells designed for one fewer person. Prisoners, as the Minister of State told us this week, are taking up drugs when in jail. Last Friday, the jail population was just 93 below the all-time high, recorded a week ago, and only 300 short of capacity, and that was excluding nearly 200 prisoners locked in police cells.

So four months after the last debate and five months to the day since the Lord Chancellor took office, the Government's management of prisons continues to be a disgrace.

Ian Lucas (Wrexham) (Lab): Does the hon. Gentleman accept that one of the reasons for more individuals being in prison is that more offenders have been brought to justice by this Government?

Nick Herbert: If the hon. Gentleman will be patient, I will come to that issue—*[Interruption.]* No, I do not accept that point. More offenders have been brought to justice because of the huge increase in the fixed penalty notices that the Government have introduced in an attempt to take cases out of the courts and deal with them in a summary way—although it is in fact an administrative way.

Tony Baldry (Banbury) (Con): One of the reasons for prison overcrowding is the reoffending rates, which are high, because overcrowding means less training and education. People are leaving prison less qualified and more drugged up than before. It is a scandal.

Nick Herbert: My hon. Friend is right. A reconviction rate of two thirds of adult offenders after two years means that offenders are cycling back into the criminal justice system. Our goal should be to drive down reoffending rates and so reduce crime and the prison population in the long term. I shall argue that it is wrong to set out with the direct objective of reducing the prison population by shifting people wholesale out of prison whose sentences suggest that they should be there.

The problem is that the Government will not listen. They have ignored every warning about prison overcrowding. They have ignored warnings from prison governors and probation officers. They have ignored warnings from prison officers, who yesterday said that the Prison Service is in meltdown and that it will not be able to cope much longer. What is the Government's excuse?

Mr. Jim Devine (Livingston) (Lab): This week, a shadow Minister said that if the Conservative party were in power, it would build new prisons. How many prisons, at what cost and how would that be accommodated in the £6 billion spending black hole?

Nick Herbert: That was not a very sensible intervention. If the hon. Gentleman will be patient, I will come to the answer in my speech, but my premise will be that the demand for prison places has to be met. We will take no lectures from the Government about spending on such matters when they have wasted billions of pounds in their management of the criminal justice system.

The cost of reoffending, estimated by the Government, is £11 billion a year—simply to the criminal justice system, let alone to wider society. The cost of accommodating prisoners in police cells could have provided prison accommodation for 250 people. The Government have wasted hundreds of millions of pounds in the management of the criminal justice system that could have been better spent on providing sufficient accommodation.

Miss Ann Widdecombe (Maidstone and The Weald) (Con) *rose—*

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw) *rose—*

Nick Herbert: I give way to the Lord Chancellor.

Mr. Straw: I shall let the right hon. Member for Maidstone and The Weald (Miss Widdecombe) go first—

Mr. Deputy Speaker: Order. If Members cannot agree, I will decide.

Miss Widdecombe: I am grateful to my hon. Friend and to the Lord Chancellor. My hon. Friend has just heard scorn poured on the proposition that we should both build more prisons and control public spending. Will he confirm that under the previous Conservative Administration we had the biggest capital prison building programme since Victorian times at the same time as we cut taxes?

Nick Herbert: I am grateful for my right hon. Friend's intervention. If we incapacitate offenders and improve rehabilitation we will be able to drive down reoffending rates and in that way deal with the problem of crime. The Government are in the worst of all worlds, with a seriously overcrowded prison population and extraordinarily high reconviction rates. As a consequence, prisoners are cycling back into the system and adding to the costs.

Mr. Straw: I hope that the hon. Gentleman will not keep us on tenterhooks about the answer to the question posed by my hon. Friend the Member for Livingston (Mr. Devine). The hon. Gentleman is obviously familiar with other expenditure issues, so perhaps he can answer the simple questions: how many prisons does he propose to build and at what cost?

Nick Herbert: I will do a deal with the Lord Chancellor. When he has published the Carter review, which is an attempt to answer those questions, we will publish our proposals. However, as the Government will not answer any of those questions, how can we reasonably be expected to do so?

What is clear is that the current situation is untenable, as the Lord Chancellor knows. We cannot go on with a system in which prisons are full to the gunwales. That places strains on prison staff and does not allow the proper rehabilitation of prisoners. It results in all the movements of prisoners around the country to which I have referred, and in prisons that are awash with drugs. We have two choices. Either we can accommodate the demand for prison places that the Government's projections have identified, or we can work to reduce that demand. I shall deal with that second option in a moment.

Jeremy Wright (Rugby and Kenilworth) (Con): Does my hon. Friend agree that part of the answer to the question asked by the hon. Member for Livingston (Mr. Devine) is that we will build the extra prison places that we need, using the money for ID cards that we do not need?

Nick Herbert: My hon. Friend is right. We have said already that we would scrap the ID card scheme and use the proceeds to fund emergency accommodation. In that way, we can then scrap the emergency release scheme, which we consider to be entirely wrong.

What is the Government's excuse for the problems that I have identified? First, they say that they did not expect the increase in the number of prisoners. Last week, a spokesman said that

"the Secretary of State was, and is, faced with an unanticipated and unprecedented increase in the prison population."

However, it is simply not true that the rise was unanticipated. In 2000, when the current Lord Chancellor was Home Secretary, his officials predicted that the prison population would be at current levels by this year. Two years later, the lowest Home Office projection for today's prison population was 5,000 above current capacity. So let us nail the canard that the Government were not able to anticipate the current demand for prison places: they did know; they were told that greater capacity was needed, and they simply ignored the projections.

We all know why too few prison places were provided. It was because the current Prime Minister did his level best to prevent that happening. As Anthony Seldon states in his new biography of Tony Blair:

"Disagreements"—

that is, between the then Prime Minister and Chancellor—

"over Home Office spending were even more intense".

Seldon says that Blair's

"priorities were for prison financing...The atmosphere was vitriolic. Number 10 accused the Brown camp of trying to destabilise them, Mandelson was going around spreading poison and loyalists on both sides were briefing and counter-briefing against each other."

What happy days those were. The Lord Chancellor must be relieved that everything is back on such an even keel.

The Government claim to have provided an extra 20,000 prison places, but 3,000 of those places arise from doubling-up in cells. In 2005, the number of new prison places provided by the Government was just one fifth of the number provided in the year that they came to power. During the Lord Chancellor's previous watch, prison building capacity fell by 86 per cent. over three years. Only three of the new prisons built in the past 10 years were commissioned by the Labour Government; the rest were commissioned by the previous Conservative Administration.

The Government now say that they will build 9,500 new prison spaces in the next five years, and they claim that that is the largest prison-building programme ever in the UK, but that would be news to the Victorian social reformers. Under the premiership of Lord John Russell, eight new prisons were opened in just five years, and they are the ones that remain in use. The claim is looking distinctly shaky: the Government have admitted that 1,000 of the 9,500 promised places are currently unfunded. They have also said that 2,500 new places would be delivered this year, but that was downgraded yesterday to 1,400.

We have to hand it to the Lord Chancellor—he is right back on form. As Home Secretary, it took him two years to cut prison building by 65 per cent., but as Lord Chancellor, it has taken him just four months to scale back the number of places by half. Now we know the Government's strategy for dealing with prison overcrowding: release criminals more quickly and build prison places more slowly. The Government will not

face up to the fact that even if they deliver the promised extra places, total prison capacity will still be 4,000 places short of their medium-term projection for the prison population. That is assuming that prisons are still full to the gunwales with doubling-up in cells.

Ministers tell us to wait for the Carter review. We shall not be holding our breath. We have already had two Carter reviews. The first, six years ago, called on the Government to look at radical reform of the prison estate to create conditions better suited to delivering effective rehabilitation. Lord Carter said that the prison estate

"comprises buildings which are worn out, poorly located, offering inadequate regimes and which are expensive to maintain and operate".

That was six years ago. Nothing happened. Lord Carter tried again. In his second report, he said the Government should replace "old and unsuitable prisons". Again nothing happened.

Every time the Government get into a hole on prisons, the message goes out—"Get Carter". Then they ignore him. The one time they paid attention was to Lord Carter's disastrous proposal to create the National Offender Management Service, which has since wasted hundreds of billions of pounds. As the right hon. Member for Leicester, East (Keith Vaz), now Chairman of the Home Affairs Committee, said:

"As for the choice of Lord Carter for the prison inquiry—he was the man who completely mucked up our legal aid system. Putting him in charge of the prison system was the wrong decision. If that is what the Lord Chancellor is proposing to do on prisons, he is in for a rough ride."—[*Official Report*, 9 May 2007; Vol. 460, c. 179.]

Perhaps the Lord Chancellor will tell us when the next great Carter review is to be published.

Mr. Crispin Blunt (Reigate) (Con): Is my hon. Friend aware of an article in *Inside Time*, a national newspaper for prisoners, which tells us that NOMS is to be scrapped after three years at a cost of £2.6 billion? Is there any prospect of getting an update from the Lord Chancellor when he makes his speech?

Nick Herbert: I am grateful to my hon. Friend. Perhaps the Lord Chancellor will answer that question when he replies to our motion. It is widely believed that NOMS, having been set up at a cost of billions of pounds, is to be scrapped. The effective shelving of CNOMIS—the IT system that underpins NOMS—which the Government said was essential to secure end-to-end offender management, means that NOMS cannot operate properly.

The Minister of State, Ministry of Justice (Mr. David Hanson) *rose—*

Nick Herbert: If the Minister is about to confirm that NOMS will remain in place, I shall be grateful.

Mr. Hanson: I shall be grateful if the hon. Gentleman will tell us on what basis he asserts that CNOMIS is to be scrapped—*[Interruption.]* The hon. Gentleman has just mentioned CNOMIS—the computer system. On what basis did he make his allegation?

Nick Herbert: The Minister misheard me. I said that CNOMIS was shelved and that is the case.

Mr. Hanson: On what basis does the hon. Gentleman make that allegation? Can he give me evidence? The system is not being shelved, as he should know if he is a responsible Front-Bench spokesman.

Nick Herbert: I am astonished by the Minister's intervention. Back in August, although the Government did not condescend to update the House on the matter, the Minister announced a moratorium because there had been a serious cost overrun and it was felt that CNOMIS would not deliver. An internal memo in the probation service made it clear that CNOMIS had effectively been shelved. What is more, an internal memo on the reconfiguration of the Ministry of Justice conceded that one of the options—the preferred option—for internally splitting the Ministry will, in effect, mean the demise of NOMS. If none of those things is the case, the Government have an opportunity properly to update the House, but they have signally failed to do so.

I agree that we need a debate on these matters; both inside and outside the prison and probation services there is much concern about the NOMS system and its inadequacies. There is huge concern that the Government are failing to deliver the key objective of end-to-end offender management. If the Minister wants to update us, I hope he will do so, but so far all we have heard is that these matters will be attended to in the Carter review. I hope there will be no attempt to smuggle out the review over Christmas, and I should be grateful if the Lord Chancellor gave us an indication of when he intends to publish the report.

Last week, the Minister said:

"Lord Carter of Coles is undertaking a review of prisons that will look at options both for increasing supply of prison places and for reducing demand for them."—[*Official Report*, 26 November 2007; Vol. 468, c. 91W.]

How exactly does one reduce the demand for prison places? The Conservatives think that one does so by reducing crime; the Government believe that one does so by giving criminals a break.

Mrs. Ann Cryer (Keighley) (Lab): What about restorative justice? It is reducing reoffending rates in Toronto. Is the hon. Gentleman going to talk about that?

Nick Herbert: Yes. I am grateful for the hon. Lady's intervention and I will be happy to talk about restorative justice in a moment.

How exactly does one reduce the demand for prison places? The Government have shortened prison sentences by introducing automatic release at the halfway point. They have transferred unsuitable prisoners early to open prisons. They have released more than 4,000 prisoners on tags, who have committed more than 7,000 crimes, including more than 1,000 violent offences. On Friday, according to the current trend, we expect the 10,000th prisoner to be released early on to the streets. One prisoner is let out of jail early every 20 minutes.

Mr. Humfrey Malins (Woking) (Con): Another way to reduce the demand on prisons would be to focus much more heavily on getting young people—young criminals—off drugs and into residential rehabilitation.

[Mr. Humfrey Malins]

The more we reduce dependence on drugs, the less we will have drug-fuelled crime, which is so bad at the moment.

Nick Herbert: I strongly agree with my hon. Friend, who, as a recorder, speaks with great personal knowledge and with a great interest in these matters. My right hon. Friend the shadow Home Secretary proposes that we move from drug treatment orders, which have a high failure rate, towards secure drug treatment centres and abstinence-based programmes. We have also proposed that there should be specialised, secure drugs treatment units so that we can get offenders off drugs when they are imprisoned. Unless we are able to do that, I do not believe that we will tackle the problem of drugs in our prisons, which is now endemic. The Minister of State, the right hon. Member for Delyn (Mr. Hanson), said last week that not only do drugs exist in prisons, but prisoners are ending up on drugs while they are in prison. Surely that cannot be acceptable in a secure environment.

John Mann (Bassetlaw) (Lab): Can the hon. Gentleman give an example of a country where the system that he proposes is in place and working?

Nick Herbert: If the hon. Gentleman reads the excellent report from the social justice commission, by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), he will find lots of examples of extremely successful drugs treatment programmes. I agree: we should look at international experience.

John Mann: I suspect that I have read the document more thoroughly than most in the House and I cannot see a single example of anywhere in the world that uses the system that the hon. Gentleman proposes. I repeat my question: can he give a single example of any country in the world that uses the system he proposes?

Nick Herbert: As I said, the hon. Gentleman will find those examples in the report from the social justice commission of my right hon. Friend the Member for Chingford and Woodford Green. It is a counsel of despair to suggest that it is not possible to introduce specialised treatment centres that will get offenders off drugs—either as an alternative to failed drug treatment orders or when offenders are sentenced to custody. That is exactly the kind of issue that my party and the commission set up by my right hon. Friend seek to look at. Both of them will consider how we can improve treatment for offenders who are on drugs.

John Mann *rose—*

Nick Herbert: I have given way to the hon. Gentleman twice already, so I am not going to do so again.

Mr. Hanson: Will the hon. Gentleman confirm that in 1996-97 spending on drug treatment in prisons was £7.2 million and that in 2007-08 it was £79 million? That represents a 997 per cent. increase during the 10 years of our Government.

Nick Herbert: That is a typical response from the Government, who think that quoting a spending figure makes everything all right. The Minister of State admitted in a written answer published this week that offenders are getting on drugs while in prison. He should know as well as anyone else that prisons are awash with drugs, and that the current systems are simply inadequate to deal with that, both in terms of security and in terms of the treatment programmes being offered to offenders. One of the reasons for that is serious prison overcrowding. As I pointed out in a speech on Monday, spending on such programmes is a tiny proportion of the overall prisons budget. It is simply no answer to say, "We have increased spending, so the Government are entirely happy with everything that is going on." Frankly, that is a complacent response.

David Howarth (Cambridge) (LD): Does the hon. Gentleman not think that there might be a contradiction in saying that more people should be put in prison, but that people get on to drugs in prison? Surely the example that he was looking for when he failed to answer the question asked by the hon. Member for Bassetlaw (John Mann) is that of the community court in Brooklyn, New York, where the whole object is to get people off drugs without putting them in prison.

Nick Herbert: First, there are successful examples of drugs courts in this country—[Hon. Members: "Where?"] Hon. Members should know about the drugs court run by Judge Philips; it is a successful pilot, and it could be extended. I do not think that there is a contradiction in what I said. First, we argue for earlier intervention before offenders get into prison, with a treatment centre alternative to the drug treatment order programmes, which are failing. Secondly, if people are imprisoned, the most serious drugs offenders should be treated in units that are separate from conventional prisons. I do not believe that there is a contradiction, contrary to what the hon. Member for Cambridge (David Howarth) says. I will go on to argue that it is simply not acceptable to suggest that because prisons are overcrowded we should empty the prisons. That is what concerns me about the Government's position.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Does my hon. Friend agree that one of the most unacceptable statistics underpinning the overcrowding debate is that 15 per cent. of the prison population are foreign nationals who have abused the hospitality of this country and exhausted their right to its future hospitality?

Nick Herbert: Of course I agree with my hon. Friend. When the Government talk about prison overcrowding, one of the issues to which they should attend is the growth in the population of foreign national prisoners, whom the Prime Minister said he would remove. Nevertheless, only 4,000 will be removed this year—a small proportion of the total population. That places enormous additional pressure on our system, and it is now resulting in the creation of dedicated prisons for foreign national prisoners. If there is a group of prisoners that we could all agree should be removed from prison, it is surely foreign national prisoners, who could be returned to their country of origin, as the Prime Minister promised.

The Government want to reduce demand by preventing the courts from sending people to jail. The Criminal Justice and Immigration Bill proposes removing the right of magistrates to impose suspended sentences, even though suspended sentences are usually given out by magistrates to those who have received every other possible disposal. As one magistrate said,

"How are we supposed to sentence the sixth-time driving while disqualified, or the third-time drink driver? Common Assault is the usual charge in Domestic Violence cases, and that too is summary-only. Take away the deterrence and what do we have?"

The same Bill also plans to restrict to 28 days, without exception or discretion, the time that an offender has to serve in prison after being recalled for breach of his conditions. The Magistrates Association has described that proposal as "a licence to re-offend." The Government want to restrict the open-ended indeterminate sentences for public protection that Tony Blair paraded as a badge of honour. We know what the Government are up to. Legislation has already been prepared for Northern Ireland to implement the new rules on indeterminate sentences, whereby judges may give an indeterminate sentence only where the offence would have carried a fixed-term sentence of four or more years. As the Lord Chancellor confirmed this week, they want to reduce demand by

"linking resources to the setting of the sentencing framework."

If, by that, the Government mean preventing the courts from passing sentences if there is insufficient prison capacity, it would represent a profound shift in criminal justice policy, and it would be profoundly wrong. An offender could be sent to jail one month, but someone committing precisely the same offence a month later could escape a custodial sentence, simply because the Government had failed to provide enough prison cells. It would result in great inequity in the operation of the criminal justice system. The effect of Parliament's decisions on the sentencing framework must be understood, because there are resource implications. The Government should be given a formal, independent warning before they pass ever more criminal justice legislation. They should be required to ensure that there is prison capacity to deal with the new offences that they have created—something that has not happened under the successive criminal justice Bills that they have introduced.

That is entirely different from proposing that sentences should be limited by the resources made available by the Government after the framework is set. That is the fundamental difference in approach between the Government and the Opposition. They believe that sentences should be watered down to fit a limited number of prison places; we believe that sentences should fit the crime, not prison capacity.

Mr. Straw: I have followed the hon. Gentleman's argument carefully. Does he therefore propose that the resources for prison places should be unlimited?

Nick Herbert: There is no need for resources for prison places to be unlimited. The Lord Chancellor knows the prison projections perfectly well, and the issue is whether he will meet the projected demand. He is 4,000 places short. No one has suggested that there should be unlimited resources to meet unlimited demand other than the Lord Chancellor, who produces ever more fanciful suggestions that somehow we will move to US-levels of incarceration, with 400,000 offenders being locked up. That is simply nonsense. The Government's own projection shows that by 2012 prison numbers will be 4,000 higher on the median projection than the number of prison places that they have provided. The question is whether they will meet that demand or not, and whether they will adjust the sentencing framework to try to shift prisoners out of the jails to which they would otherwise be sent.

The Government have effectively accepted the latter option: they will [illegible] sentencing rather than send to jail people whom we would prefer to sentence to jail. That is the choice they will offer the country at the next election, and it is a choice on which we are happy to fight that election. The Government believe that sentences should be watered down to fit a limited number of prison places. We believe that sentences should fit the crime, not prison capacity.

The Lord Chancellor has another idea to reduce the demand on prisons. Last week, he said that for people serving prison sentences of less than 12 months,

"community sentences will, in many cases, be a better alternative."

That is an interesting proposal, because last summer, he told "The Andrew Marr Show":

"I wish it were possible to deal with criminals outside prison. But most people who end up in prison go there because community punishments have failed."

Prison is largely reserved for serious, violent and persistent offenders. Contrary to popular myth, our jails simply do not contain vast numbers of non-violent, first-time offenders doing time for licence fee evasion or summary motoring offences. The Lord Chancellor himself said last month that the

"bulk of the additional prisoners"

in jail over the past decade were

"more violent and serious offenders".

The majority of offenders serve sentences of six months or less. Reducing further the number of short-term prisoners—those serving less than six months—would mean weakening 23,000 sentences, or nearly two thirds of all custodial sentences.

John Mann: Will the hon. Gentleman give way?

Nick Herbert: No, I will not.

Community sentences cannot be used as an alternative to prison if they are not robust. The Government's latest wheeze is "community payback"—unpaid work for offenders. The former Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke) said that it was a

"powerful, effective and tough punishment".

However, four out of 10 unpaid work requirements for male offenders are not completed. The attendance rate is no better than 60 per cent. In other words, this so-called tough punishment is optional for offenders. That is no punishment at all—it is a farce, and it cannot be a substitute for a custodial sentence in any criminal justice system that has the interests of victims at its heart. At least in prison offenders have to be there 24/7 as part of their sentence unless, of course, they have been moved to an open prison. Attendance there is optional, too. They could just abscond, as they do

[Nick Herbert]

from open prisons in my constituency. They could even do so in their own car, which the Government allow them to have while in an open prison serving their sentence.

The previous Home Secretary, the right hon. Member for Airdrie and Shotts (John Reid), promised "high visibility" community payback, with offenders wearing fluorescent jackets. What happened to that idea? One report claimed that the scheme had foundered after probation staff warned that it might compromise the health and safety of offenders. So much for high visibility, tough community sentences.

The Government's flagship intensive supervision and surveillance programme is officially described as

"the most rigorous non-custodial intervention available for young offenders"

with

"unprecedented levels of community-based surveillance",

yet the programme has a failure rate of almost 90 per cent.

A leaked memo revealed that in May, the former Home Secretary, the right hon. Member for Airdrie and Shotts

"said that the financial situation would not allow for the building of new prisons, so thought was needed on other alternatives.

The Home Secretary would consider community sentences if they were seen to be tough by the community. A strong handling strategy would be needed."

So that is what it is all about—no money for prisons, just spin to persuade the public that community sentences will do as an alternative. No money, yet Government incompetence has wasted billions of pounds on national programmes when the money could have been invested in prison accommodation and rehabilitation.

Since last October at least £29 million has been spent on Operation Safeguard to use police cells for emergency prison accommodation—enough to build a jail for more than 250 prisoners. The use of every court cell is more expensive than a superior room at the Ritz. The prison ship Weare was bought by the Home Office for £3.7 million and sold off at a loss, and another one is expected to be purchased. Perhaps the Government will confirm that. If the Government want to reduce demand for prisons, why do they not focus on the 11,000 foreign nationals who are in custody and make up almost one in seven of the entire prison population?

We desperately need a new start to get offenders off drugs, to get them on work and education programmes, to help the mentally ill in prison, to unlock the development potential of our oldest and worst Victorian jails so that we can build new, smaller units, and to drive down reoffending, which costs the criminal justice system alone £11 billion a year. The Government's approach to prisons is bankrupt. Their big idea this year was to let 25,000 prisoners out of jail early. Their next big idea is to give even more criminals a break by watering down sentencing.

The Government's first duty is to protect the public, and that requires them to provide adequate prison capacity. They have failed in that duty, and they should step aside for a Government who have the vision and competence to manage the prison estate properly.

5.8 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

'welcomes the Government's record which since 1997 has brought more offences to justice leading to a 32 per cent. reduction in overall crime and a 31 per cent. reduction in violent crime according to the British Crime Survey; welcomes the fact that the most violent and dangerous offenders are sent to prison for longer; also welcomes increased prison capacity by over 20,000 places and the commitment to building a further 9,500 prison places, of which 8,500 will be delivered by 2012; recognises that the Government has dramatically reduced the number of escapes and absconds since 1997; notes the increase in prison funding by 37 per cent. in real terms and probation service funding by 72 per cent., including a tenfold increase in funding for drug treatment in prison; recognises the improved links between custody and the community through end to end offender management and other measures; notes the introduction of a flexible and tough new community order which provides a real alternative to custody for less serious offenders; recognises the great strides made in improving the culture within prisons though the Decency Agenda; and further notes the reduction of the overall reoffending rate for prison and community sentences by 5.8 per cent.'.

I express my usual appreciation to the Opposition for laying on the debate, which gives us another opportunity to compare and contrast the Government's excellent penal policy with the shambles of what passes for an Opposition policy.

I have been in the House for a couple of years, and I have noticed that various devices can be used to avoid answering difficult interventions. *[Interruption.]* The hon. and learned Member for Harborough (Mr. Garnier) asks whether this is an after-dinner speech. I wish it was. The answer from the hon. Member for Arundel and South Downs (Nick Herbert) to almost every difficult intervention was that we should have patience and wait till the end of the speech. We waited till the end of the speech and, sadly, did not get the answer to many of them.

John Mann: I do not know whether my right hon. Friend can provide the information that I was seeking: how many secure residential rehabilitation places would be provided by the Conservative party and what would the total cost be? I have studied the documents, but I cannot find a number, a definition or a cost. I wonder whether he can help.

Mr. Straw: Our Department has excellent researchers, but I am afraid that I have not got details of the costs. I suspect that developing examples of overseas comparisons will turn out to be difficult, but my staff will do their best. I shall then ensure that the information is placed in the Library for the better education of the Opposition and to provide my hon. Friend with the information.

The hon. Gentleman made an interesting speech to the Policy Exchange on Monday, and I am grateful to him for providing a just abridged version this afternoon. When I came to this post in June, I echoed Lord Falconer in saying that I hoped that there could be a vibrant public debate on prisons. He made his comments as he announced the establishment of a review of penal policy to be led by Lord Carter of Coles. Within the next few weeks I will be publishing that review to Parliament. I promise the hon. Gentleman and the House that there will be an oral statement in this House.

Lord Carter's report is likely to be comprehensive and far-reaching, but I am not sure that he will be quite as extravagant as the hon. Gentleman has been recently. For those who missed his speech, I shall quote from it. He said:

"Jeremy Bentham, John Howard, Elizabeth Fry—these were the most progressive thinkers of their day. All of them were pioneers in the field of prison reform."

That is true, but in *The Sunday Telegraph* he said:

"Our mission is to break the cycle of reoffending by redeveloping the prison estate in the most radical shake-up for two centuries."

I was hoping that the hon. Gentleman's speech would provide further and better particulars of this radical shake-up. I was not asleep during his speech, far from it—*[Interruption.]* I invite the Whip to remember that he gets his salary in order to remain silent. Almost nothing in the speech indicated that this would be the most radical shake-up for two days, still less for two centuries.

I also say to the hon. Gentleman that wrapping himself in the mantle of Elizabeth Fry is one thing, but to cite Jeremy Bentham is another. After all, he said:

"All punishment is mischief: all punishment in itself is evil."

I assume that that is now Conservative party policy. That Benthamite view of punishment might have informed the approach of the Conservative Front-Bench team, which, in Committee, signed a Liberal Democrat amendment proposing that the punishment of the offender should be removed from the criteria for determining sentences for under-18s. They then got cold feet about whether or not punishment ought to be one of those criteria and abstained during the vote.

Mr. Edward Garnier (Harborough) (Con): I know that the Lord High Chancellor—the Secretary of State—even devoid of his robes, enjoys a good turn. He must apply his mind to the *Hansard* record of that particular Committee debate if he is to be taken seriously. We do our best to take him seriously but it is difficult to do so when he makes that type of point. As the hon. Member for Somerton and Frome (Mr. Heath) will confirm, the debate that we had was not the one that the Secretary of State would like to portray it as. It was a serious debate about the nature and purpose of sentencing. If he wishes to misdescribe it in the way that he does, he is abusing this House and the intelligence of its Members.

Mr. Straw: The hon. and learned Gentleman protests too much. My right hon. Friend the Minister of State, Ministry of Justice will quote from *Hansard* when he sums up, so we shall see.

An effective policy on prisons must be part of a comprehensive approach to tackling crime, and our record on both has been good. The hon. Member for Arundel and South Downs scarcely mentioned the crime figures in his Policy Exchange speech or in his speech this afternoon. I am not surprised, because crime doubled under the Conservatives, whereas under our Government it has fallen by a third. We have the best record of any post-war Government.

The Conservatives also attack us for using a few hundred police cells to manage the prison population. The hon. Gentleman omitted to say, however, that the Conservative Administration used police cells year after year—and not a few hundred. In 1982, they used 3,500 police cells, and such was their incompetence that even 10 years later, in 1992, after numerous riots in prisons and indiscipline of a kind that we have not, thank God, had since 1997, they peaked again at 1,800.

As for early release, yes, we regret the fact that we have had to use end of custody licence releases to release short-term prisoners 18 days earlier than they would be otherwise, but I remind the hon. Gentleman that in 1987, 3,500 prisoners were released virtually overnight as a result of the then Home Secretary's concern about the rising prison population—it was much lower than it is today—which the then Government had taken no steps whatever to deal with.

Why is there pressure on the prisons estate? It is principally because of the effectiveness of our investment in the criminal justice system, with an extra 14,000 police officers and a toughening up of criminal law and, crucially, court procedure, better to favour victims and their communities. That has led in turn to more serious and persistent offenders being convicted and then sentenced to prison for longer terms. We have not had that much help from Opposition Members, who have been absent from the Lobby to vote for these measures, as much as they have been in favour of them.

Mr. Devine: I asked how many prisons the Conservatives were going to build and at what cost. Does my right hon. Friend have any indicative cost of setting up a prison?

Mr. Straw: I do indeed. We have already announced plans and we have others under consideration. The average running cost per prisoner for one year is £37,000 and the average cost of building a prison place is £150,000.

More offences than ever before are being brought to justice—1.4 million last year, up 41 per cent. from even five years ago. Sixty per cent. more violent and dangerous offenders are in prison now than when we came to office, and they are staying there for considerably longer. Meanwhile, the enforcement of sentences has improved considerably, with the number of people being sent back to prison for breach of their licence up from a measly 300 in 1997 to 5,200 today.

Jeremy Wright: Many of the offenders the Lord Chancellor is describing will have received indeterminate sentences of imprisonment for public protection. Does he accept that in many ways those sentences contribute to the prison overcrowding problem? As he knows, it is necessary for offenders serving them to complete courses to demonstrate their suitability for release. As he also knows, those courses are not available in every prison, and transfers to prisons where they are available sometimes take a very long time. That means that people are incarcerated for longer than expected and longer even than the court that sentenced them intended. Does he accept that that is a problem? If so, did the Government consider it when instituting those sentences, and what is to be done about it now?

Mr. Straw: I acknowledge that there is an issue. When I gave evidence to the Constitutional Affairs Committee in early October, I discussed openly the question of IPP prisoners who are sentenced to short or very short tariffs. The whole House agreed that the indefinite preventive sentence should be available for

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medium and long-term prisoners who meet the appropriate categories. Having looked at the *Hansard* reports of the debates on the Criminal Justice Act 2003, it is clear that that was what was anticipated by all Members. As it has turned out, the sentence has not only been used for that category of prisoner but for some prisoners who have been sentenced for very short determinate tariffs, the shortest being 28 days but several being for a period of less than a year. That must be taken into consideration. I readily acknowledge that the problems that the hon. Gentleman mentions have been exacerbated by the pressure on numbers, but that would exist in any event because of the effect of sentences on very short-term prisoners.

Let me come to the centrepiece of the speech by the hon. Member for Arundel and South Downs—his claim that we have not taken into account forecasts of increases in prison population. We have. Any forecasts are inevitably just that, and vulnerable to predictions of sentencing and custody rates or, for example, unforeseen events such as prison flooding, which happened in Gloucester.

Let us consider the prison population for the summer of this year, which was 80,600, and look back at the projections of it over the previous seven years. The hon. Gentleman quoted very selectively on this. We see that there were predictions in 2002 and 2003 of a high end—and, in two cases, a low end—showing that the prison population would exceed the current level. The range of projections for this year during that seven-year period was 30,000. The projections produced in January 2005 gave a range of 76,000 to 82,000; in July 2005 it was 76,000 to 84,000; and in July 2006 it ranged from 78,000 to where we were in the summer. Projections cannot be decisions, as the hon. Gentleman would discover in the unlikely event of him ever being in my place. They have to be a basis for judgment and then Ministers have to decide.

It is palpably incorrect to suggest that there has not been an increase in the prison population. There has been a year-by-year increase. It was 65,000 in 1998. Then it stabilised, and went up to 66,000 in 2001. It was 71,000 in 2002, 74,000 in 2003, 76,000 in 2005 and 81,000 this year. My right hon. Friend the Prime Minister, when he was Chancellor of the Exchequer, ensured that money was provided for that. He has also ensured an additional 9,500 places, which are currently in the programme or being built. Under this comprehensive spending review there will be 8,500 places, of which 1,600 are being provided in the current calendar year.

Mark Pritchard (The Wrekin) (Con): In an earlier intervention on my hon. Friend the Member for Arundel and South Downs, my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) referred to the number of foreign prisoners, which currently stands at 15 per cent. of the total. Does the Secretary of State agree that if we dealt with that issue more efficiently and effectively, several thousand prison places would be released in a very short period? That would assist him in delivering what he says he is trying to deliver.

Mr. Straw: Of course we wish to see the number of foreign national prisoners reduced. We are seeking to do that. However, if we are going to have a serious debate about prison policy, with the best will in the world—and the procedures and back-up for dealing with this matter have significantly improved—it is difficult to secure transfers in some cases. We have a large number of foreign national prisoners from Jamaica. We are working with the Jamaican Government to transfer those people back to Jamaica, but it is a relatively small country, which has been perfectly open about the fact that it is worried about having those nationals back. They ought to go back, but we cannot put them on a plane if it does not have landing rights at the other end.

We have another large tranche of such prisoners from China. When I was Home Secretary, I had constant negotiations with the Chinese Government. We believe that they should meet their obligations to take those prisoners back, but they are often rather less ready to do so in practice than they may be in principle. We have another problem with Nigeria. I love that country, but anyone who has ever dealt with it—it has a federal Government, 36 states and is slightly challenging in terms of its administrative standards—will know that it is extremely difficult to do so. Even if one can get the federal Government to agree to matters, it is then necessary to have them translated down to state level.

We have good relations with Vietnam, for example, as we have with those other countries, but those four countries account for a significant proportion of foreign national prisoners. We are working very hard to reduce the number, but it is no good just pressing the button, "They're foreigners—we should get rid of them." *[Interruption.]* I do not think that that is the hon. Gentleman's approach. It is no good the Opposition saying that unless they can introduce serious proposals that can speed up the transfer of such prisoners faster than we are moving them at the moment. If there were a magic wand, I promise that I would use it. We all would. This is not a party issue. I promise the hon. Gentleman that all of us, from the Prime Minister downwards, are very anxious to see the maximum transfer of FNPs. The transfers have increased, but the numbers are still too high.

Mr. David Heath (Somerton and Frome) (LD): I agree with the Secretary of State about foreigners held in prison. Is not the problem that many people confuse deporting foreign prisoners at the end of their sentence—at which the Government have been notably incompetent—with holding foreign prisoners till the completion of their sentence, for which, as the right hon. Gentleman says, few options are available?

Mr. Straw: As my right hon. Friend the Minister said, the hon. Gentleman slightly spoiled his point with his remarks about foreign national prisoners whose sentence has expired. There are similar problems—they are not the same—with both. With great respect, the hon. Gentleman should not pretend otherwise.

None of us underestimates the pressure on the prison estate. Given that, we have done more than ever to tackle prisoners' needs for effective rehabilitation—not to do them a favour but to get reoffending rates down. We have increased spending on probation by 72 per cent. in real terms and made a reality of end-to-end offender management.

We have increased investment in drug programmes tenfold, so that there has been a 64 per cent. reduction in drug abuse in prison. If the hon. Member for Arundel and South Downs claims that the Conservative party

will promise at the next election that there will be no drugs in prison, I wish it luck because nobody will believe that.

Mr. Garnier: That is an Aunt Sally argument.

Mr. Straw: That was the whole burden of the contribution of the hon. Member for Arundel and South Downs on the subject. He suggested that drugs in prison were somehow our fault and that a Conservative Government would sort that out. When I became Home Secretary, the regime for checking and searching prison visitors was shambolic. We were left with that. The ingress of drugs into prisons was dreadful. It is almost impossible wholly to eliminate that, but we have significantly reduced the amount of drugs in prisons and greatly expanded the number of drug-free wings. We have also put experts in charge of providing health care, education and training in prisons, establishing more than 100 mental health teams and employing more than 350 mental health professionals who are now NHS professionals, not Prison Service health workers, to work directly with prisoners.

Despite everything, the Prison Service has met its targets. There has never been greater investment or more done to improve the nature of the prison regime so that it can be a constructive force for change and provide genuine rehabilitation. Today, conditions are far more decent and humane. Prisoners are treated with dignity, better to ensure that they treat others with respect.

Of course, there are concerns. One is prisoner suicides. Last year, suicide rates were at their lowest since 1996. However, this year, there has regrettably been an increase. In 2000, I set a target, as Home Secretary, to reduce self-inflicted deaths in the context of a national suicide prevention strategy. Most years, that target, which is based not on total numbers but on the number of deaths per 100,000 offenders, has been met. I do not believe that this year's increase is a direct result of overcrowding. Frankly, the matter is far more complicated. The sheer volume of people sent to prison, many of whom are among the most vulnerable in society, has greatly increased in the past decade. Although we have greatly improved the care available—and sharing cells reduces the suicide risk—we are conscious, as are all prison staff, of the need to improve the way in which we continually check on potential suicide and do everything that we can to avoid it.

The way in which we have transformed prison has contributed to our central aim in penal policy: to cut reoffending thus cutting crime. We heard again the Opposition claim that reoffending rates have soared. That is not the case. I am happy to lay on a short seminar for the hon. Gentleman about reoffending rates. However, when considering reoffending, one has to examine the nature of the prison population, which has become more serious because we are locking up more serious and persistent offenders. Evidence from 2004 shows that the two-year reconviction data for prisoners released from custody in that year provides an indication of a significant positive treatment impact on actual rather than predicted reconviction rates. For prisoners serving more than four years, the improvement is 13.4 per cent.; for those serving two to four years, the improvement is 10 per cent., and for those serving one to two years, the improvement is 6.3 per cent. We have to do more, but that is an indication of how our overall effort is working. One thing that the hon. Gentleman cannot gainsay—indeed, he failed even to mention it—is the fact that crime has gone down, on the Conservatives' measure, by at least a third.

I was in opposition for 18 years and sat on the Bench opposite for most of that time. I have therefore become something of a world expert on the issue. I fully understand the pressures on Opposition Front-Bench spokesmen to produce yet another initiative to impress their colleagues and get a line in the media, but there is always a danger with that rather breathless approach, which is that the Opposition may be playing catch-up, simply recycling what the Government have already done. So, a review of prison policy was announced last summer by the hon. Gentleman with bells and whistles, two or three months after we had announced a review of prison policy. He is now talking about new prisons for old, which is in fact a key part of Lord Carter's review.

May I also offer a comradely warning to the hon. Gentleman about that part of the review being conducted by the hon. and learned Member for Harborough (Mr. Garnier)? If what the hon. and learned Gentleman has already said is anything to go by, the review could lead to embarrassing proposals under which prisons are emptied, rather than expanded. We all enjoyed the part in a previous speech by the hon. and learned Gentleman when he said that he had been to prison, saying that it was a "voyage of discovery", and adding that prison—*[Interruption.]* It was not a joke; it was a speech by the hon. and learned Gentleman. He should not mock his own speeches. He added that prisons do not work and said that many inmates

> "might more economically and effectively be managed outside prison without presenting a danger to the public."

We look forward to the Conservatives' proposals, because apparently they are now going to propose that the prison population should come down and not go up. We know that there are some serious arguments—Fraser Nelson of *The Spectator* introduced us to the arguments inside the Conservative party—and that must be one area.

Let us come to the issue of resources. The hon. Gentleman has gone on record as saying that he accepts that we do not end up in the same situation as the United States. I am glad about that. He then said in the House that no one was suggesting unlimited resources. That is also useful for him to have said and absorbed. The issue of resources must be taken into account. How resources should be best taken into account is one of the improvements in the system that Lord Carter is considering. Meanwhile, I do not believe that anyone will disagree with the Lord Chief Justice, Lord Phillips, who said:

> "The scale of sentences is now largely determined by Parliament. Where within that scale the facts of a particular offence fall is the judge's task. Parliament should, when altering that scale, have regard to the resource implications of the changes that are proposed."

Mr. Garnier: On the subject of Lord Carter, will the right hon. Gentleman confirm that Lord Carter has completed his review, that it is on the Secretary of State's desk, that it has been seen by the Lord Chief Justice and Sir Igor Judge, the deputy Lord Chief

[Mr. Garnier]

Justice, and that it is simply awaiting the Secretary of State's signature for publication?

Mr. Straw: There have certainly been extensive discussions with Sir Igor Judge and the Lord Chief Justice, and with me. I have not yet received the final version of the review report. I have already told the House that there will be an oral statement, and of course I shall make myself available for questions on that statement, as I always do. The Select Committee on Justice has already asked to interrogate me once the report is made available and might even ask the business managers if we can have a debate on it, so there is no dubiety about that.

If I may return—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Could we have one debate please, rather than two or three?

Mr. Straw: To return to the point, I quoted Lord Phillips, the Lord Chief Justice, and I do not think that anyone would disagree with what he said. Indeed, the hon. Member for Arundel and South Downs, the shadow Lord High Chancellor of Great Britain, said:

"The lord chief justice is quite right to say that when the sentencing framework is set, the impact on the prison population must be properly taken into account".

The backdrop to this debate is a country where crime is down a third since 1997, on the measures set out in the British crime survey, which was established by the Conservative party. Our penal policy is part of that success. This drop in crime represents 5 million fewer victims now than a decade ago.

Let me give the House two further sets of facts. First, as the House of Commons Library has shown, between 1945 and 1997, crime consistently rose faster under Conservative Administrations than ever it did under Labour Administrations. Secondly, it is under this Government since 1997, alone among any Administration since the war, that crime on all measures has fallen. That is our record. We stand by it, we are proud of it and I commend the amendment to the House.

5.35 pm

Mr. David Heath (Somerton and Frome) (LD): It must be a considerable relief to the Lord Chancellor, considering the events in other parts of his departmental responsibilities, to return to the chronic failure of the Prison Service. It is a safe haven of sorts for him. The decision to hold this debate today was timely, and I commend the hon. Member for Arundel and South Downs (Nick Herbert) for having chosen this subject.

We need to keep reminding ourselves that our prison system is in crisis. The House needs to be aware of that and to look at the potential solutions. We should not be remotely proud, as a nation, of the fact that we appear to have the unique social conditions, unique criminality and unique culpability that result in our having a higher proportion of citizens in custody than any comparable country. That is a signifier of failure in the system, not of success. A good system would reduce crime, the number of criminals and the number of people in our prisons. The fact is, however, that we are seeing an ever-increasing number of people held in custody.

Beyond that failure is the failure to have a prison estate that is capable of holding the prisoners who are sentenced. The overcrowding and conditions, and the nonsense of police cells being used and of prisoners who have been sentenced by the courts being carted around the country in an effort to try to find a place are all an indictment of how the system is working. The fact that it is beyond the scope of the prison system to house the present prison population presents a problem: it makes prisons more and more ineffective at performing anything other than the basic function of holding someone in custody to prevent them from committing a crime. It makes them ineffective at providing prisoners with any education, training and skills opportunities, or any other useful activity. It also results in a lack of effective rehabilitation. The consequence is a high rate of recidivism; people constantly reoffend on release from prison. That means that the enormous amount of money that we are investing in our penal system is having no effect. When people are released from prison, what do they do? They go out and commit another crime, and the public are once again put at risk.

We can add to the waste of money incurred by putting people into prisons that do not work the even higher cost of putting them into police cells. That also has a detrimental effect on police effectiveness and efficiency, while offering no possibility of any educational or rehabilitative work, even if people want it. That can have even more serious consequences.

There was a famous instance of people being sent around the great city of Liverpool in taxis delivering redundancy notices, but I think that it is nonsense that prisoners should be taken from one prison to another in taxis, simply to find a cell in which to hold them for the night. Yet we know that that is happening on a daily, and nightly, basis.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Is the hon. Gentleman suggesting that prisons around the country should have surplus places just in case somebody needs to be moved into them, or does he disagree with the idea that prisons should be managed in a way that maximises their use? I am not quite sure where he is coming from when he talks about surplus places to accommodate people in prison.

Mr. Heath: That is a novel idea—that we should have a just-in-time prison delivery system in which there is no spare capacity anywhere and wait for one person to be pushed out the back door before we put the next prisoner in through the front door. The hon. Gentleman really needs to think through the implications of his comments, as it is very difficult to understand exactly what he is suggesting.

One of the effects of the kaleidoscopic movement of prisoners around the country is that there is no continuity of care and effective rehabilitative prison work. That has all sorts of consequences, including the prison system's inability not only properly to discourage reoffending, but to provide basic continuity of health care, particularly mental health care, to which I shall return in a few moments.

We all acknowledge—at least I hope we all do—the problem of the prison estate's capacity to deal with prisoner numbers. Where I part company with the hon. Member for Arundel and South Downs, however, is on

the competition of incompetence involved in saying that the answer is to build more and more places for more and more prisoners, so that failure begets failure and we spend more and more money on a system that does not provide effective rehabilitation. I simply do not believe that building more and more conventional prison spaces is the answer to the problem. That approach is simplistic and ineffective, and in the long term it can only exacerbate the problem.

Does that mean that I would refuse to build any new prisons at all? No, because I share the view of the hon. Member for Arundel and South Downs that we could manage the prison estate more effectively. There is far too much real estate in the form of old Victorian prison blocks, taking us back to the panopticon, Jeremy Bentham's great invention in prison design. We do not have the right prisons in the right places, and if we were to dispose of some of that prison estate, we could reinvest in smaller units more suited to task and in the right places. One of the objectives of the Prison Service, particularly for lower-risk prisoners, should be to provide prisons where the prisoners come from.

One of the objectives of planning policy in guidance and elsewhere should be for the services provided to a community to include sufficient prison capacity to deal with the offenders likely to originate from that community, particularly in respect of large-scale developments. People should reflect on that point more, particularly in the south-east, which is currently underprovided for its prison population.

Mrs. Cryer: Is the hon. Gentleman suggesting that there should be a prison in every constituency, which is what his line of argument would amount to?

Mr. Heath: I do not think that we need to go that far. There is a prison on the fringe of my constituency, so perhaps I have done my bit. No, we do not need 639 prisons; what we do need are enough regional prisons in each part of the country to deal with the prison population likely to derive from each region. If the hon. Lady looked at the present disposal of prisons across the country, she would find that there is a mismatch. There are far too many inner-city hulks of prisons that are often at too long a distance from the people using them. That applies particularly to prisoners with relatively short sentences for whom visiting and maintaining contact with families needs to be a very high priority if we are to secure a proper rehabilitative effect. The distance makes visiting that more difficult and it is ineffective in terms of simple unit costs. I think that we could do a better job, which is my answer to her intervention.

Women's prisons are one particular aspect, and we hope that the Government will respond positively to the Corston review, as one of the main issues is the patchy provision of women's prisons and the fact that they are often in the wrong places. Many women are serving relatively short sentences, and many have family commitments. Imprisonment away from their families can be extremely deleterious to those families, and according to all the evidence, to those women's mental health. I think that they would be much better served by smaller units scattered around the country and closer to where they live. There are other issues in connection with the number of women in prison who do not pose a risk to the community, but I will not go into them now.

Ian Lucas: I am listening to the hon. Gentleman's speech with great interest. I understand the logic of the proposal for more prisons spread over different areas, but has he assessed the cost of such units in comparison with that of slightly larger regional prisons? It seems to me that the staffing implications of requirements for specialist care would be very major.

Mr. Heath: The honest answer is that the cost would vary according to the class of prison. The cost might well be greater in the highest security prisons, with a high staff-to-prisoner ratio, while the smaller, low-dependency units might be more cost-effective. An enormous amount of capital is tied up in some of our older prisons, however. Once it was released, the prison estate would benefit from a substantial capital receipt and the capacity would be available. The building of new prisons costs much less than the capital value of the estate.

Chris Ruane (Vale of Clwyd) (Lab): Will the hon. Gentleman give way?

Mr. Heath: A good many people want to speak in the debate, but I will give way to the hon. Gentleman briefly.

Chris Ruane: Given the high price of land in the south of England, would the prisons that the hon. Gentleman would like to locate there be at the more expensive end of the spectrum?

Mr. Heath: The south-east has higher land values than the north-east. That is a fact, and I cannot get away from it. However, we have some inner-city properties on the prison estate that would be worth many millions of pounds if their value could be realised, and on the outer fringes there are a number of greenfield sites that could be used for new prison build. *[Interruption.]* Please let us not be—

Madam Deputy Speaker: Order. Can the normal rules of debate be applied, please?

Mr. Heath: I certainly hope that we do not descend into the futility of the argument of the hon. Member for Vale of Clwyd (Chris Ruane).

Once we have divested ourselves of some of the assets and rebuilt some conventional prisons, we shall be in desperate need of more secure mental health provision. We know that that is a major problem in our prison system: 90 per cent. of prisoners show some symptoms of mental illness. I do not suppose that all those prisoners require secure mental health provision, but I note that one in 10 is functionally psychotic. It strikes me as extraordinary that when the prison population contains so many people who need mental health provision in our conventional prisons there are only 1,150 secure mental health places in Ashworth, Broadmoor and Rampton. Surely a sane way of dealing with that issue is to build more secure mental health provision rather than more conventional prisons. The same applies to drugs rehabilitation centres.

John Mann: On that point—

Mr. Heath: I thought it inevitable that the hon. Gentleman would intervene on that point.

John Mann: I thank the hon. Gentleman for his generosity in giving way. The Conservative party earlier today changed its policy from one of residential rehabilitation to secure residential rehabilitation, which would probably double the cost per centre. Will he confirm his policy of drugs rehabilitation centres? Will they be secure or not? Has he costed them? Can he give an example of any other country in the world where such a policy works?

Mr. Heath: On the latter point, the United Kingdom is one; we have 2,500 secure drug rehabilitation places. Unfortunately, they are very often not filled because of resourcing issues, but that is part of the disposal at the moment. There are many people within our prison system who have a serious drugs problem. We know that drugs are a major motor of acquisitive crime. I am not talking about the three quarters of male prisoners who have used drugs in the 12 months or so before they enter the prison estate, and neither am I talking about the 10,000 drug offenders. I am talking about serious drug users who need rehabilitation within the prisons estate, but are at the moment held in conventional prisons. Those prisons are not the right places for such people.

Mr. Malins: I always listen to the hon. Gentleman with great care, but I think that he may be mistaken in saying that there are 2,500 secure residential rehab places in the country. I think there are 119 English residential drug rehab units with a total of 2,530 beds; that is in my pamphlet, "Crackpot." But those beds are not secure, which is the problem; anyone can come in and out when they want.

Mr. Heath: I am very grateful to the hon. Gentleman for correcting something I said that was misinterpreted. Certainly that was the point I was trying to make.

The third category of people in our prison system who should not be are those serving short-term sentences. I make this point strongly. There is very clear evidence that recidivism among those serving sentences of three months or less is almost 100 per cent; there is more than 90 per cent. recidivism among young males in that category. We are using prison spaces for a system that is almost completely and utterly useless in preventing crime. My belief is that there are better disposals, and here I must differ from the hon. Member for Arundel and South Downs, who appears to think that community sentencing could never do anything positive and should be shunned at every opportunity in place of real punishment in prison. Prison does not work for short-term sentences. It does not deter, rehabilitate or stop people reoffending. What on earth is the point of using expensive prison places when there are more effective disposals elsewhere in effective community sentences?

This is my last point. If we want effective community sentencing—I do and I think the Government do—that can and will reduce the number of people in custody, we have to have an effective probation service. At the moment we have a probation service that is being brought to its knees by the demands put on it and the funding that it is not being given. That is why the National Association of Probation Officers is lobbying us and holding a rally in this House and why its members are so concerned about what is being done to the probation service.

Mr. Hanson: The NAPO lobby is organising its approach on the basis of a flat cash settlement. I am proposing—I have written to chief probation offers to make this offer—between 2 and 3 per cent. for next year. The figures on which NAPO is lobbying are not correct.

Mr. Heath: I have seen the letter from the right hon. Gentleman and I accept that he has written in those terms. The resource that he is putting into the probation service is not adequate, however, to meet the demands that we are placing on the service. The reality is that probation offices throughout the country are facing increased work load, reduced staff numbers, unfilled vacancies and training places that are not being filled. We cannot deliver effective community sentencing without the people who are expert in providing probation services.

I say plainly that one cannot both cut costs in the probation service and deliver community sentencing as an alternative to prison. Community sentencing costs money to be effective. I think that it works, and I have evidence to support that view. However, it is a scandalous waste of human resource and energy to send a young lad into prison to watch television all day every day, perhaps acquire a drug habit and come out as a confirmed criminal, instead of setting him the task of clearing up graffiti in his community or doing other work that restores what he has broken or destroyed. That is also an ineffective way to deal with offenders.

It is easy to talk tough about prison, but it is much more difficult to be effective. I have argued, and will continue to argue, for a penal policy that is effective in cutting crime and reducing reoffending. The prison system is failing on those scores, and one of the reasons is that we simply have too many people in our prisons.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. We have limited time left for the debate, so I suggest that hon. Members limit their contribution to six or seven minutes so that they more may be successful in catching my eye.

5.56 pm

Ian Lucas (Wrexham) (Lab): I am pleased to follow the hon. Member for Somerton and Frome (Mr. Heath). I am also pleased that the debate has become more civilised in tone after we had high volume from the hon. Member for Arundel and South Downs (Nick Herbert), but not much sense. Having listened to his speech, I am still unclear about whether it is the Conservatives' policy to have more people in prison or fewer.

Chris Ruane: Does my hon. Friend see a theme emerging? Yesterday, we asked about Conservative housing policy, and they said that they did not want any targets for house building. That has been repeated today, and they have not given any targets for prison places.

Ian Lucas: If my hon. Friend will allow, and in view of the time constraints, I shall stick to the debate at hand.

I would like to see fewer people in prison, and that should be the aim of a civilised criminal justice system. The problem is that Governments do not send people to prison: courts do. One of the central difficulties of penal policy is a constant tension between Government and the courts. It is probably magistrates courts rather than Crown courts that send young and other offenders to prison for short sentences.

I am a former solicitor and I have practised in the criminal courts, albeit some time ago, and in my experience courts are reluctant to send people to prison, and Opposition Members who have more recent experience accept that. So why are more people going to prison?

Mr. Garnier: The Government's policy on sentencing is to send more people to prison for longer. The Government have, for example, created some 3,500 new offences. That is why more people have ended up in prison.

Ian Lucas: With respect, I am talking about short sentences and individuals who are given short sentences and who may never have been in prison before. Some of those people must be in the category of offenders who have been brought to justice by this Government's penal policy but might not have been brought to justice in the past. It is for that reason that those people have gone into prison for the first time.

Certainly, some individuals are in prison for longer and for more serious matters. I welcome that: such people are a danger to the public, and it is right and proper that they should be in prison for a considerable period. I welcome a policy that means that they are not released until they pose no threat.

However, given the constraints on time in the debate, I shall concentrate on the need to focus on those who are sent to prison for short sentences. I always like to see the good work that the probation service does with restorative justice in my constituency. Some excellent local projects have clearly imposed serious burdens on the people involved. The projects have been a real punishment and I welcome that, but it is clear that my constituents have no perception of restorative justice. They do not appreciate the burdens that it imposes on those who commit offences, and their perception is that criminals can be dealt with effectively only if they are sent to prison.

I have held meetings with my constituents to explore the nature of the sentences imposed for specific serious offences, and it has been made clear to me that people have no appreciation of how long such sentences can be. The fact that they believe that inmates serve shorter sentences than they really do shows that the criminal justice system is a lot tougher than most people think. If the Government are to deliver an effective criminal justice system, it is crucial that they focus attention on educating the public about it. People must be made aware that community sentences can be effective, and that they can impose substantial burdens on those punished by the courts.

Ms Dawn Butler (Brent, South) (Lab): Does my hon. Friend agree that Government policy should focus also on tackling the causes of crime, through initiatives such as Extended Schools, the Youth Opportunity Fund and the Youth Capital Fund? In my constituency, the Not Another Drop campaign has caused crime to fall by 12 per cent. Does he accept that we should adopt that approach more widely?

Ian Lucas: My hon. Friend mentions another crucial area. As I said, I worked in the criminal courts in the late 1980s and early 1990s, when the vast majority of my clients were unemployed. Thankfully, unemployment has fallen over the past decade, and there is no doubt that that has had a substantial impact on the commission of crime. All the programmes to which she referred need to be continued and developed, and I especially welcome the commitment to youth services that the Government have evinced in the past few months. I know that my hon. Friend is very interested in such services, as they play a crucial role in our efforts to reduce crime and lower the prison population.

There is ongoing discussion in north Wales about having a prison there. At the moment, the prison population from the area is usually held at the Altcourse prison in Liverpool. That is a long way away from north-west Wales and Anglesey, for example, and I agree with the hon. Member for Somerton and Frome that, if we are to have any sort of end-to-end criminal justice system, prisons must be located near the geographical areas in which prisoners live. They must also recognise the cultural distinctions in communities, and that is why I support the principle of a prison in north Wales.

Julie Morgan (Cardiff, North) (Lab): Does my hon. Friend agree that a small unit in north Wales for women prisoners would be much more effective, as Baroness Corston recommended in her report? Traditional women's prisons or a women's wing in a prison are a backwards step.

Ian Lucas: I was interested in the comments about small prisons made by the hon. Member for Somerton and Frome, and I certainly agree that it would be sensible to take the line suggested by my hon. Friend. In principle, I would support a prison in north Wales, hosted in the community, and I hope that an announcement will be made in the Carter review, and that discussions will take place early in the new year.

In view of the time, I shall conclude my comments. We need to conduct a sensible and temperate debate on the subject. I hope that tone will continue.

6.6 pm

Mr. Humfrey Malins (Woking) (Con): I shall try to be brief. As always, I begin by declaring an interest as a Crown Court recorder and a part-time district judge.

A few years ago, I visited a young offender institution where I spoke to a young man aged 20. I asked, "What are you doing here?" He replied, "I'm in for four months for driving while disqualified. It's the second time I've been disqualified." "My goodness", I said, "Are you a terrible driver?" "No", he said, "I'm a brilliant driver—I've never had an accident." "Then why are you in here for driving while disqualified?" I asked. "Well," he said, "I haven't got a licence. I've never had a licence." "Why?" I asked; and he replied, "I've never passed the theory test, because I can't read or write." In a debate such as this, we have no real opportunity for the thoughtful discussions

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that most Members want about prisons. That is a pity, because there are good ideas on both sides of the House about penal reform, but these debates are set-piece occasions when—perhaps—we do not think quite enough.

I want to say a few words about the subject of education in prisons, on which I have concentrated for several years. My young man could not read or write, so he was in prison. That is a crying shame. I have visited many young offender institutions over the past few years and I try to work out what the young men and women—mostly young men—are doing with their lives. How much time do they spend locked up in their cells? How much time is spent on serious education, and how much time do they have for playing sport? Those are good things in the young offender estate. I am sorry to say that for many years the situation in young offender institutions has been worrying, which is a criticism of us all, in all parties.

I asked in a written question about the steps taken to increase the time spent by young offenders in the youth prison estate outside their cells and on playing team sports and educational activity. The answer was interesting:

"Young people in young offender institution accommodation commissioned by the Youth Justice Board must be given 25 hours learning per week and spend less than 14 hours per day locked in their room".—[*Official Report*, 21 November 2007; Vol. 467, c. 985W.]

We might think that that was clear, but a careful study of what happens in practice illustrates that far too much time is spent locked up.

In July, I asked about the amount of time per day that young offenders spend locked up in their cells. In Reading young offender institution, the average time spent in cells is 17.1 hours a day. The figure for Rochester is 15.7 hours. In many of the young offender institutions, including Castington, people spend more than 15 hours a day locked up in a cell, and in Deerbolt it is 17 hours. That is not good news at all.

What about education? I told the House about the young man who was in prison because he could not pass his theory test. How many hours of education are people getting? They are not getting the 25 hours that they are meant to receive. I asked a question some time ago about the average number of hours spent on education per week. In Aylesbury and Glen Parva, it is only six hours a week. In Reading, it is eight hours a week. That is not long for a young person to spend on proper education at a young persons institution.

Mr. Mark Oaten (Winchester) (LD): There is an additional concern: even people who do start a course in prison find it virtually impossible when they leave prison to complete that course and get the qualification.

Mr. Malins: That is absolutely right. The hon. Gentleman is interested in these matters and I respect his expertise, because we have been debating against each other for some years. He rightly points to the need for people to be able to continue with their education and get the qualification. Somebody who has a job—somebody who is educated—is less likely to go back to prison or a young offender institution than somebody who does not.

Let us concentrate on spending more time on education in young offender institutions. More time should be spent out of the cells. More time should also be spent on playing sport—team sport. I am old-fashioned. In the young offender institutions where there are plenty of team sports, there is a better chance of the young men being constructive when they come out.

What about drugs? The other day I asked what percentage of persons in young offender institutions are drug addicts. The answer is 76 per cent. Three quarters are drug addicts. That is a terrible state of affairs. The country is awash with drugs. I do not blame the Government for that. There is Afghanistan, Colombia and the rest of the world. The world is changing. Drugs are a terrible problem among young people. Believe me, while sentencing in the courts, it is pathetic to see nice young boys and girls, aged nine, 10, 11 or 12, who have started on skunk, and moved on through solvents to heroin and crack cocaine. Their lives are ruined by it and they end up in a young offender institution.

My final plea is this: all of us in politics must focus on trying to help young people—who are victims as often as not—off hard drugs. We must focus on ways of doing that. Residential rehab is cheaper and more effective than prison. We are talking about one of the worst problems facing young people today. If today's debate has any result, I hope that it is that all of us in the House will try to use our brains as best we can to come up with better ideas and policies to look after young men in young offender institutions, both in terms of their education, their future and their propensity for drugs, which is so deeply damaging.

6.13 pm

Julie Morgan (Cardiff, North) (Lab): In the short time available, I shall concentrate on the issue of women in prison, which has already been mentioned by the hon. Member for Somerton and Frome (Mr. Heath), and on how we might create a better system for women offenders. It is important that we both decrease instances of reoffending among women and make sure that women in prison, and their families, do not suffer unnecessarily.

The first thing to do is to look at the profile of the women who are imprisoned. It is fair to say that of the 4,000-plus women who are in prison, most are classified as very vulnerable and the majority are there for non-violent offences. The most common offences are theft and the handling of stolen goods. It is important to remember that eight in 10 are there for non-violent crimes. Some 70 per cent. of women in prison have mental health problems, 37 per cent. have attempted suicide, nearly two thirds have drug problems, one in three has been sexually abused, and more than half have suffered domestic violence. Some 20 per cent. were in the care system as children, compared to 2 per cent. of the general population. That is a grim picture.

It is disturbing that the number of women in prison has almost tripled in the past 10 years, even though the kinds of offences for which they are sentenced have not changed, on the whole. Due to the efforts of successive Prison Ministers to keep the women's prison population down as much as possible, the population has stabilised in the past three years at between 4,000 and 4,500 people. What happens to women when they are released? Prison does not work for women: 65 per cent. of them

reoffend. Nearly a third who lived in rented accommodation lost their homes. That is clearly not good for the women, and not good for society, because the root causes of women's offending are not being addressed in prison.

Of course, prison does not just affect the women who are imprisoned. About two thirds of women in prison have dependent children. More than 17,000 children are separated from their mothers because of imprisonment. When a mother is sent to prison, only 5 per cent. of children remain in the family home. It is important to remember the misery caused to many children as a result of women going to prison. By way of contrast, when men go to prison, the majority of children stay in the family home. We cannot minimise the distress that is caused to the children in that case, but they do remain in the family home.

Women are frequently held more than 50 miles from their home, so it is often difficult to visit and to keep in contact, which is vital. So much more needs to be done for women prisoners who have not committed violent crimes, and who are not a risk to society, and that is why I particularly welcome the Corston report, published earlier this year. It is important that we try to do something radical with women prisoners, because although they are only a small number of those in the prison population as a whole, we can tackle that number. I think that we can actually make a difference.

I strongly support Baroness Corston's recommendation that we move from traditional-style prisons for women to smaller units—some of them secure—much nearer women's families and communities. Those units can address all the issues related to women's offending, including the crime. They have offended against society, so we have to address the offending and there must be an element of punishment, but we also need to think of the other, wider issues and try to deal with them. We have models for such an approach in the Asha centre in Worcester, and the 218 centre in Glasgow, which address the punishment of women offenders for the crimes that they commit, but also look at the other factors. We also need programmes that consider women's mental health—a subject that has been mentioned a lot today—drug and alcohol abuse services, and support for victims of domestic abuse. The aim should be to get women out of the cycle of offending, to try to keep families together, and to provide services that will help us to gain those ends.

My hon. Friend the Member for Wrexham (Ian Lucas) mentioned prisons in Wales. There is no women's prison in Wales, and that causes the additional problem of women's families having to travel outside Wales. In south Wales, that generally means going to Bristol. In north Wales, too, it means going over the border to England. I feel strongly that we need a facility in Wales, particularly in south Wales, but we do not want a traditional prison for women. There are not enough women offenders in Wales to fill such a unit. We want the sort of unit recommended in Baroness Corston's report. I strongly hope that that will be considered for my area of south Wales.

I am delighted that the National Offender Management Service is setting up a demonstrator project to service Wales in Cardiff. It aims to turn around the lives of women offenders and women who are at risk of reoffending. NOMS reckons that there are about 779 women offenders in Cardiff and the surrounding areas. It is setting up the skeleton of a service that could address women's offending, and all the problems affecting their lives. Work on a core unit in south Wales, which is similar to the units proposed in Baroness Corston's report, has already begun. I hope that we can continue to develop such a unit in Wales and address the issue of women's offending.

An encouraging ICM survey on Monday showed that the vast majority of people do not think that women should be sent to prison for non-violent offences. Some 86 per cent. of those surveyed said that they would prefer women to be given a community alternative to prison, so there is no public support for the view that women should be in prison for non-violent offences. The public are compassionate, and they understand the huge problems that prison sentences create for families and communities. They understand that prison is not effective for women, so I hope that the Government's policy, informed by the Corston report and the response to it, will be a positive one.

David Taylor (North-West Leicestershire) (Lab/Co-op): According to my hon. Friend's figures, a third of women prisoners do not have a child dependant with them in prison; so why should they be treated differently from men who have committed non-violent offences? Opinion polls and surveys would not be as sympathetic to men, but are there not men in prison who would benefit from a similar approach?

Julie Morgan: I agree that some men would benefit from a similar approach, but the evidence on women is clear and much stronger, and we should start with women.

6.21 pm

Mr. Crispin Blunt (Reigate) (Con): I represent a constituency that includes two prisons—High Down and Downview—which over the past 10 years have provided repeated examples of the failure of Government policies to be other than reactive to predictable wider trends. They have enjoyed, if that is the right word, the consequences of an inept and ill-thought-out policy.

I have already put on record the shambles of the reroling of Downview some years ago from a men's to a women's prison at two weeks' notice to the staff. High Down prison will contribute 360 extra places to the prison estate by mid-February, and a new wing means that 178 places are coming online now. Given the difficulty of recruiting prison staff, nearly 30 per cent. of the required prison officers will be detached from duty elsewhere, with a consequent risk for prisoner-prison officer relationships.

Another example of the inept way in which those matters are planned—that is not necessarily the right word—is the new educational facility, which will come on-stream after the new blocks are built. For an indefinite period, the facilities required to enable the rehabilitation and training of offenders in prison will not be available, even though there will be a 50 per cent. increase in the prison population.

To develop a point made by my hon. Friend the Member for Arundel and South Downs (Nick Herbert), the prison was established to hold 660 prisoners. Its operational capacity is 747, but it is increasing by 10 a day as the new block is filled. There are 98 men living in triple cells who should be in double cells. There is a

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proposal to put bunks into the single cells in the new block, which were designed to take ligature points out of the cell and reduce the risk to prisoners, and an assessment is under way of whether the new cells can be turned into double cells. That is the scale of the crisis in that prison in my constituency.

The crisis that has engulfed prisons is cruel not only to prisoners but stupid, because of the consequences for the rest of us. The overcrowding crisis is a fundamental problem and a consequence of the wider malaise in the criminal justice system.

Three aspects have contributed to the systemic failure, one of which is sentencing. It is clear that the Government's obsession with sentences has been damaging. A custodial sentence has two elements—a prison sentence, the primary purpose of which is punishment and the protection of society, and a period of probation on licence, which should primarily provide prisoners with the opportunity for rehabilitation. That is not to say that rehabilitation should not start in prison—it should. However, the increase in sentence length under the Government, forcing judges to pass longer sentences, and the creation of thousands of new criminal offences, must have contributed to the overcrowding and the collapse of much serious rehabilitation work inside.

The failure properly to focus on rehabilitation means that far too many offenders are re-imprisoned while on probation. We already have some of the longest sentences in Europe, and more and more judges are handing out indeterminate sentences. The new system of imprisonment for public protection has exacerbated the situation. Britain is home to more prisoners on indeterminate sentences than the whole of the rest of Europe put together. I do not regard that as a mark of success.

Sadly, the probation service has been consistently undermined by the Government. On 11 June this year the service celebrated its 100th anniversary in a special service in Westminster Abbey. The Bishop of Selby, Bishop to HM Prisons, acknowledged

"the constant change and reorganisation . . . the struggle to get enough resources for a task which although hugely cost effective compared with custodial sentences seems to get a smaller share of the budget".

It was for some a eulogy on the end of the national probation service as we know it.

Many prisoners now see the function of the probation service not as rehabilitation, but as re-imprisonment. Those sent back to prison include individuals arriving moments late for employment or carrying items that cannot reasonably be prohibited. In a case personally known to me, an offender was accused of using his electronic diary to access the internet, despite the fact that the machine had no such function. On that basis, he was re-imprisoned. We are told of people being re-imprisoned without being told why. The appeal process through the Parole Board is lengthy, and the Parole Board is itself a subsidiary of the Home Office.

The failure to rehabilitate and the propensity for punishment provoke anger and frustration among the prisoner population. Those emotions are prominent likely causes of re-offending. A prisoner in Belmarsh recently wrote:

"I consider there to be no real support or encouragement from probation, or indeed anything to do with effective rehabilitation, and rather than allow them to recall me on ridiculous grounds I believe the remainder of my sentence will be better utilised in prison."

That is a common view in prison and a damning indictment of a failed policy. The solution is straightforward: support those keen to rehabilitate, and address re-imprisonment for ridiculous reasons that have much more to do with risk avoidance than with justice. With 10,000 prisoners being recalled the situation needs to be addressed urgently.

Finally, let us consider the role of the Parole Board in prison overcrowding. According to the High Court, the reason lies in the lack of independence for the Parole Board. Many who should be released to probation for rehabilitation are not released, and the Parole Board's recommendations, such as proposals to move those serving life sentences into more open conditions, are ignored. It is perhaps typical of the controlling tendency of the Government that instead of granting the Parole Board the independence that it needs to function, they are instead launching an appeal against the High Court's judgment.

Allowing our judges to judge, focusing probation on rehabilitation and curbing the Home Office's draconian powers, and ensuring a truly independent Parole Board would help address the current crisis. Meanwhile, our prison service is swamped, unable to do its job of rehabilitation, and morale is at an all-time low. The Government say that their policy is focused on public protection, but all they are doing is putting the public at risk through overcrowded prisons and a failure to rehabilitate thousands of offenders, nurturing one of the highest re-offending rates in the world and breeding thousands of angry, bitter prisoners who have been unjustly and inhumanely treated.

6.28 pm

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): I was a little disappointed when the hon. Member for Arundel and South Downs (Nick Herbert) opened the debate and started talking about the prison population. One thing that he left out of his speech was the contribution made by our police force to ensuring that more people are taken in for investigation, arrested, taken to court and sentenced. A huge investment has been made by our Government in the police force and community support officers. In my constituency, Perry Barr in Birmingham, Handsworth, Lozells and Aston, which had record levels of crime, now have one of the lowest crime rates in Birmingham and across the midlands.

The hon. Gentleman refused to take interventions from my hon. Friend the Member for Bassetlaw (John Mann), who has huge knowledge and understanding—*[Interruption.]* I say to hon. Members who wish to intervene on me that I have only a little time available to me, and I want to make a couple of points and then allow other hon. Members to speak. The work done by my hon. Friend has given him a huge understanding about drug rehabilitation.

If hon. Members want to examine these serious issues, they should visit Winson Green prison in Birmingham, where significant work has been done on getting prisoners off drugs and on to substitute drugs. Approaches such as rehousing them, reintegrating them into the community and getting Jobcentre Plus

teams into prisons to speak to them about work opportunities when they come out of prison have been examined. All that work has been done in places such as Winson Green, and the Government have put huge resources into it. The venture taken by Winson Green is wholly positive, and much interesting work has been done.

The hon. Member for Arundel and South Downs also refused to mention anything about restorative justice. A huge amount of work has been done on that, particularly in Liverpool. I believe that the hon. Member for Somerton and Frome (Mr. Heath) mentioned the Red Hook project, which is a fine example. I have had the opportunity to visit Liverpool, where work has been done and restorative justice has paid off. A full-time district judge is in charge of that system, and keeping people away from prison has worked quite effectively. A community court has also been secured in Lozells and Handsworth for my constituency. It started only this month and it has been a huge success. I have been campaigning for such a court in my area for the past two years. A huge amount of work has been done.

Many hon. Members have mentioned education. I shall limit my remarks because of the shortage of time, but I should mention Matthew Boulton college in Birmingham, which has won a contract for Prison Service education. It has done a huge amount of work to get prisoners back into education.

People must recognise the considerable work that has been done in all the fields that I have mentioned. Hon. Members sometimes come here to make speeches purely to knock the Government, but that is not a positive approach. We need to examine all the positive things that are being done and then continue the work. The hon. Member for Woking (Mr. Malins), who is not in his place, made sensible arguments on this point. We should address such arguments rather than just listen to point-scoring from the hon. Member for Arundel and South Downs.

6.32 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): In essence, the prison system is in crisis. As each prisoner costs the taxpayer £49,000 per annum, it is proving to be a rather expensive crisis. Given that the Prime Minister's speech to the Labour party conference, which itemised his priorities, did not mention prisons or prisoners, it is clear that the trend of neglect will continue.

With a record number of prisoners, it is no good the Government boasting that they have provided an additional 20,000 prison places when some of that has been achieved by doubling and trebling the usage of cells. Nor is it any good their boasting that they propose to build 9,500 more places by 2012, when they have guaranteed funding for only 500 of those places.

The Government need seriously to consider the consequences of their decade of failure. There was a 64 per cent. rise in attacks on prison staff between 2000 and 2006, which was due in part to overcrowding. There has been a substantial increase in the number of prisoner-on-prisoner assaults—444 per cent. between 1997 and 2006. The number of self-harm incidents has also increased by a staggering 1,500 per cent. in the same period. It is no wonder that the chief inspector of prisons, Ann Owers, drew a link between overcrowding and violence in prisons.

As well as punishment, one of the aims and objectives of prison is to rehabilitate prisoners, but that is becoming increasingly difficult. For example, in Belmarsh prison just under 15 hours a week is spent in productive activity. That sort of environment certainly does not assist rehabilitation.

As we have heard, prisons are rife with drugs—a fact that was aptly confirmed in a written reply to my hon. Friend the Member for Shipley (Philip Davies) confirming that one in five prisoners admitted that their first experience of drugs was in prison.

I am mindful that one other Member wishes to speak, so I will conclude by saying that the Government need to get their head out of the sand. So far, they have tried temporary measures such as the early release of 10,000 prisoners. Perhaps the Minister would like to enlighten us about what "temporary" really means. The tagging system has failed and there have been failures in all other measures. My advice to the Minister is that he should take on board the views of some of his colleagues in other Departments, who have been open to Conservative suggestions.

6.36 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): In the four minutes that I have, I would like to make a couple of brief points.

We have had prison overcrowding in every year since 1994. Part of the reason for the current crisis is the 50 per cent. breach rate of antisocial behaviour orders. Stringent breach rules have resulted in a rise in the number of breaches of more than 400 per cent. in four years, up to a monthly level of 1,200. Other reasons include increases in magistrates' sentencing powers and the use of public protection sentences. If I had time, I would have referred to the Carter report of 2003, which concluded:

"There is no convincing evidence that further increase in the use of custody would significantly reduce crime."

In other words, crime is not dealt with by imprisonment, which does nothing for the average offender, for various reasons. Rehabilitation is not good, and there are overwhelming drug problems. Similarly, the previous Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke) said:

"More than half of all crime in this country is committed by people who have been through the criminal justice system. Prison does not work in stopping reoffending."—[*Official Report*, 9 February 2006; Vol. 442, c. 1033.]

So why do we continue to send people to prison?

Let me pose this question to the Minister. Will the Government consider a new community penalty—a period of supervision where the conditions of the order were not all imposed at the same time? That has been put to me by a serious panel of senior probation officers. The major problems are, first, drug and alcohol misuse, secondly, literacy and numeracy deficiencies, and thirdly, lack of a path to employment. It is not possible to deal with all three at the same time, because people who are in the depths of drug or alcohol misuse cannot deal rationally with the second and third problems. The sentence could be for 18 months, with six months in the

[Mr. Elfyn Llwyd]

first phase and phased-in second and third phases. That would ultimately be cost-effective, although it presupposes investment in the probation service. I have always believed in the probation service. Far too many people in prison—I would venture to suggest up to 25 per cent.—should, strictly speaking, not be there. We could do without sending people to prison if we were to look creatively at community penalties. If I may, I would like to meet the Minister to discuss the idea of the phased community penalty, which is a good idea that might well work. Perhaps he will agree to that when he winds up.

I am pleased to have been able to speak for these few minutes. Often, the best fish that a fisherman would ever have caught is the one that got away. Likewise, alas, the speech that I had prepared would probably have been my best speech, which is why I was unable to deliver it.

6.39 pm

Mr. Edward Garnier (Harborough) (Con): I begin by commiserating with the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd). He always has interesting things to say about criminal justice issues, and if he had more time, he would have had more of value to say. I particularly want to commend him for his idea—it is one I have thought of myself, if I may say so—concerning the sequential requirements under community sentencing. As he rightly says, many of the people on community sentences are not always able to organise their lives in a sensible way, and we end up with too many breaches as a consequence. I think that the Minister would be sensible to consider that idea further.

I do not have long, so I probably will not faithfully reproduce the contributions made by right hon. and hon. Members from all parties. I notice that the Secretary of State is not here; he did not rise to the occasion, which is a pity because those who spoke after him have done so. I have no doubt that the Minister of State will produce a better speech than his political master. He has done his best to make some interesting contributions to the question of prison overcrowding; I have listened to him with interest in the Committee considering the Criminal Justice and Immigration Bill, which we have been toiling through during the past six weeks or so. I look forward to what the Minister has to say having real purpose. It seems to me that prisons should be prisons with a purpose. If we cannot provide purposeful prisons, we are wasting our time and the public's money, we are abusing victims and we are not doing offenders any good.

A number of broad themes came out of the debate, and my hon. Friend the Member for Arundel and South Downs (Nick Herbert) highlighted those in our motion. Like my hon. Friend the Member for Woking (Mr. Malins), I must confess to being a recorder. I send people to prison and give them community sentences. I watch the carousel of offenders coming before the criminal court in London and wonder why this Government do what they do. They seem to have little understanding about why what is happening. As the shadow Minister dealing with prison matters since my right hon. Friend the Member for Witney (Mr. Cameron) appointed me to the post in December 2005, I have visited 30 adult prisons—those accommodating men and women—and I have visited young offender institutions and secure training centres. In each of those establishments I have met some dedicated and wonderful people, but all of them are working in dreadful, overcrowded prisons. Overcrowding is the crux. It is impossible to deliver sensible, humane and decent conditions in prison, for the inmates or for those who work there as officers and staff, in such grossly overcrowded conditions.

As our motion says, there are now 81,547 in prison. We are simply warehousing those people; we are not giving them the effective rehabilitation that they need if they are to come out of prison as responsible, law-abiding citizens. It is one thing to incarcerate people to keep them off the streets, and to prevent them from reoffending—that is a perfectly legitimate aim of sentencing. However, if that is all we do, and we release them through the back door so that they go back on to the streets, as illiterate and affected by substance abuse as when they went in, it is hardly surprising that they reoffend in the industrial quantities that they do. Of all adult prisoners released, 66 per cent. reoffend within two years, and the figure for young offenders is worse—about 75 per cent. If the Government think that spending £50,000 a year on accommodating every adult prisoner, between £70,000 and £90,000 a year on every young offender and about £150,000 a year on every teenage prisoners under 18, is good for the prisoners and the public when reoffending takes place at such a vast rate, we inhabit different planets. The reoffending rate is far too high and will not be tackled until the Government get to grips with overcrowding.

The Government claim—the Secretary of State did so again this evening—that they have built and provided many additional prison places. It's the way he tells 'em. The prison population has increased from 60,000 to 81,500, but the accommodation has not increased to meet that. As my hon. Friend the Member for Reigate (Mr. Blunt) said when he referred to the new block in one of the prisons in his constituency, it is already planned to put bunks into single cells so that two people can go into one-person cells. One of the unintended consequences of getting rid of slopping out over the past 20 years is that we are now in the revolting position whereby two or three men are in one cell, essentially living in a lavatory. They cannot go to the lavatory in privacy. That is a fact of the hidden world of the modern prison system. Not only do they have to go to the lavatory in front of their cell mates, but they have to eat their meals in those lavatories. Those appalling conditions prevail under the Government's management of our prison system. That does not lead to better rehabilitation and inculcation of responsibility into offenders whom we release on to the streets.

Approximately 2 per cent.—probably 1 per cent.—of the prison population never leave prison. The vast majority go to prison and come out. If we put people in prison illiterate and on drugs, and allow them to maintain that state of affairs, it is hardly surprising that they reoffend when they leave prison. One cannot get a job if one cannot read. One needs a reading age of 14 or older to get a job. Even an unskilled job requires some reading ability. Approximately 65 to 70 per cent. of the prison population has a reading age of under 11. The Government appear to want to do little about that.

Yes, the Government have increased the number of pounds that are spent on education. However, they think only of input, not output. It is no good, as a Government Back Bencher suggested in the debate, simply increasing spending on drug rehabilitation. The Government may well have increased the amount, but they have not increased the benefit to the public or to the prisoners. *[Interruption.]* It is uncontroversial to say that there is no better place than prison to take drugs, pick up a drug habit and become a drug addict. If any Labour Members want to contradict me, I suggest that they visit as many prisons, young offender institutions and secure training centres as I have. They will soon learn different.

The hon. Member for Wrexham (Ian Lucas) was right that there is a need to consider whether a prison or custodial accommodation should be provided—for men and women, as the hon. Member for Cardiff, North (Julie Morgan) said—in north Wales. It is not right that people should be taken a long way from their homes so that their families are broken up and children lose touch with their parents in prison. The hon. Gentleman and the hon. Lady may know—but the Secretary of State may not—that 150,000 children who go to bed tonight have a parent in prison. Broken families lead to repeat crime. Failure to be visited by their families just once a year has a correlation with reoffending by those who are released from prison. I urge hon. Members to consider that carefully as we watch the train crash happening. We have been watching it for the past few years.

Sadly, time does not permit me to give full credit to the speech of my hon. Friend the Member for Woking, who spoke with great knowledge and passion about education and drugs in prison. The average time spent on purposeful activity in our prisons is currently 3.6 hours a day. Given the time that prisoners are kept locked in doing nothing, cannot we get them to learn to read if they have 14, 15 or 16 hours in their cells alone? Cannot toe-by-toe schemes be spread more widely throughout the prison estate? Cannot we do something practical rather than simply allowing the Secretary of State to make a few feeble jokes about my being on a voyage of discovery? I have indeed been on a voyage of discovery. [Hon. Members: "Oh!"] Yes, I have been on a voyage of discovery, and the public and the Government would have benefited greatly if the Secretary of State had been on it with me. I do not say this with any sense of amusement or pleasure, but we currently have the blind leading the blind and it is the public who pay for it, in money and the huge rates of reoffending. Until the Government get their head round that, get a grip and really pull their socks up, I am afraid that we are in for worse.

6.50 pm

The Minister of State, Ministry of Justice (Mr. David Hanson): We have had a productive debate. A lot of it was predictable, but in part it was also thoughtful. I pay tribute not only to my hon. Friends the Members for Birmingham, Perry Barr (Mr. Mahmood), for Wrexham (Ian Lucas) and for Cardiff, North (Julie Morgan) for their contributions, but to the hon. Members for Woking (Mr. Malins) and for Reigate (Mr. Blunt), although less so to the hon. Member for North-West Cambridgeshire (Mr. Vara), but he is entitled to make his political points.

This has been a thoughtful debate, which has added to the need to look at some of the key issues. There are key issues—I share the view of the hon. Member for Woking on this—to do with numeracy, literacy, drug abuse, employment, providing people with accommodation post-prison, and rebuilding lives during prison, before prison when people enter the youth justice system and post-prison. There are real issues that we can address. There is even an element whereby, dare I say it, the hon. and learned Member for Harborough (Mr. Garnier) agrees deep down with some of the things that the Government are doing. Deep down, he knows that we are taking a positive approach and that we have matters in common on the way to tackle reoffending.

I pay tribute not only to the staff in the Prison Service, but to the staff in the probation service, who do an excellent job.

Mr. Lindsay Hoyle (Chorley) (Lab): Is my right hon. Friend aware that I represent a constituency with one of the biggest prison populations? The morale of the Prison Officers Association at Wymott, one of the two prisons in my constituency, is at an all-time low, but the governor is unhelpful. We need to consider what we can do. Will my right hon. Friend intervene to see what the issues are, so that we can help get that prison back on track, as its numbers are going to be increased and the current dispute is not the right way to go?

Mr. Hanson: If my hon. Friend wants to discuss the situation in Wymott, as well as general issues, I should be happy to meet him, because I know that he will share my wish to see an effective Prison Service and an effective probation service that is committed to reducing reoffending.

We are having this debate against a background of reducing crime, and we must never forget that. Crime is down 32 per cent. over the past 10 years, burglary is down 55 per cent., vehicle theft is down 52 per cent., household offences are down 33 per cent. and all personal offences are down by 32 per cent. overall. I am not going to duck the fact—*[Interruption.]* I am grateful for the intervention of the hon. Member for North-West Norfolk (Mr. Bellingham). If only he had been here throughout the debate, he could have listened to all the thoughtful contributions. There are still some clear challenges for us and for the Prison Service in preventing reoffending.

My hon. Friend the Member for Cardiff, North mentioned the Corston report. There is much positive policy promoted by Baroness Corston. I hope that I will be able to respond to that shortly. We have already given the process a positive response and I look forward to responding to the report in detail, I hope very shortly.

A number of hon. Members mentioned the Carter report, including my right hon. Friend the Lord Chancellor. Hon. Members will know that we have asked Lord Carter to assess the pace and scale of the current prison building programme, the management and efficiency of public sector prisons, the impact of recommendations for the prison estate on all parts of the criminal justice system, and the changes in the sentencing framework. As my right hon. Friend said, we expect Lord Carter to report shortly.

[Mr. Hanson]

We have a big building programme of more than 9,500 places. I should point out to the hon. Member for North-West Cambridgeshire that the funding is there for 8,500 of those 9,500 planned places.

We also have a positive programme of examining not only prison building but the reduction of reoffending. It is on that point that I wish to concentrate now. My hon. Friends the Members for Wrexham and for Birmingham, Perry Barr and the hon. Members for Somerton and Frome (Mr. Heath) and for Woking have all put their finger on the key issues that we need to address. There is an element of support across the House for those issues.

The Government have identified seven pathways that need to be addressed in order to prevent reoffending. They include accommodation, drug treatment, and education—the hon. Member for Woking mentioned support for education and training. They also include finding a better way of linking employment opportunities outside prison with training opportunities in prison. My hon. Friend the Member for Birmingham, Perry Barr mentioned the scheme at Winson Green prison, which I happened to visit a few weeks ago, and the community justice scheme at Lozells in his constituency. Both are attempting to examine the key issues of employability, training and support for individuals. Self-evidently, there are three issues that are important to individuals in regard to the prevention of reoffending. They are employment, accommodation and support from family, friends and colleagues.

I refer the hon. and learned Member for Harborough to a document that I produced yesterday on the consultation on reducing reoffending, which contains our designs for tackling the issues of accommodation, drugs, debt, family, employment, literacy and numeracy. As my hon. Friend the Member for Brent, South (Ms Butler) mentioned, we also need to look at the causes of crime before people even get into the criminal justice system. We have examined the work of the Youth Justice Board and I would like to tell the hon. Member for Woking that the Department for Children, Schools and Families is now working with my Department to examine what we need to do in regard to interventions on families, to young people identified as being a problem, to raising levels of literacy and numeracy and to supporting those key issues.

There are several things that we can do in regard to the prison programme generally, and I believe that we will do them. They involve not only increasing prison capacity but making prisons effective in tackling some of the long-term issues that have been mentioned.

Colin Burgon (Elmet) (Lab): The Minister has mentioned investment in the service. Some of the key people in it are the members of the Prison Officers Association, who do excellent work in the two prisons in my constituency. Will he put on record his acknowledgement of their work? Will he also dismiss the story that appeared in *The Observer*—on 18 November, I think—that said that drastic cuts in the membership of the Prison Service were being considered?

Mr. Hanson: I will certainly put on record my support for the work that the prison officers do. Like the hon. and learned Member for Harborough, I visit prisons almost every week, and I meet committed staff who are working hard in challenging and difficult circumstances, with some very challenging and difficult people, to ensure their rehabilitation and the protection of the public.

My hon. Friend asked about future prison officer numbers. We are currently looking at the budget and we have yet to determine the budget for future years, but with an expanding prison programme, we need to take on more prison officers. We shall need to ensure that we have prison officers who are trained to the highest capacity and who can do their important job safely. We have a positive prison building programme and a positive programme for the prevention of reoffending. We also have positive views on the challenges facing the Prison Service.

The real question for the Conservatives is whether they will support our agenda to tackle the causes of crime and social exclusion, and whether they will work with us to tackle some of the other issues that drive people into crime in the first place. Would they put forward the necessary resources to fund the prison building programme and to secure the necessary investment in the Prison Service? I very much doubt it, given their tax-cutting proposals.

Judging by today's debate, there is unanimity on the Labour Benches, and—dare I say it?—a common theme between ourselves, the Liberal Front-Bench spokesman and some Conservative Members on how we need to tackle these issues, but there is still a dichotomy that the Conservatives need to face. On the one hand, the hon. Member for Arundel and South Downs and the right hon. Member for Haltemprice and Howden (David Davis) want to see more and more prisons being built, more and more people being put away and, in due course, more and more people being put in prison without any remission whatever. On the other hand, the thoughtful hon. and learned Member for Harborough wants to see rehabilitation, investment in training, education and support and all those other positive issues.

I commend the Government's amendment to the House.

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 156, Noes 356.

Division No. 012] **[6.59 pm**

AYES

Afriyie, Adam	Baron, Mr. John
Ainsworth, Mr. Peter	Bellingham, Mr. Henry
Amess, Mr. David	Bercow, John
Ancram, rh Mr. Michael	Beresford, Sir Paul
Arbuthnot, rh Mr. James	Binley, Mr. Brian
Atkinson, Mr. Peter	Bone, Mr. Peter
Bacon, Mr. Richard	Boswell, Mr. Tim
Baldry, Tony	Bottomley, Peter
Barker, Gregory	Brazier, Mr. Julian

Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Philip
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and Mr. Crispin Blunt

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Cairns, David
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen

Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Joñes, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Tipping, Paddy
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Tony Cunningham and Mr. Alan Campbell

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments)*—

The House divided: Ayes 294, Noes 202.

Division No. 13] **[7.14 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin

Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Foliett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and Tony Cunningham

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela

Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, Philip
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Richard Benyon and
Mr. Crispin Blunt

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's record which since 1997 has brought more offences to justice leading to a 32 per cent. reduction in overall crime and a 31 per cent. reduction in violent crime according to the British Crime Survey; welcomes the fact that the most violent and dangerous offenders are sent to prison for longer; also welcomes increased prison capacity by over 20,000 places and the commitment to building a further 9,500 prison places, of which 8,500 will be delivered by 2012; recognises that the Government has dramatically reduced the number of escapes and absconds since 1997; notes the increase in prison funding by 37 per cent. in real terms and probation service funding by 72 per cent., including a tenfold increase in funding for drug treatment in prison; recognises the improved links between custody and the community through end to end offender management and other measures; notes the introduction of a flexible and tough new community order which provides a real alternative to custody for less serious offenders; recognises the great strides made in improving the culture within prisons though the Decency Agenda; and further notes the reduction of the overall reoffending rate for prison and community sentences by 5.8 per cent.

SITTINGS OF THE HOUSE

Ordered,

That, on Tuesday 18th December, the House shall meet at half past Eleven o'clock and references to specific times in the Standing Orders of this House shall apply as if that day were a Wednesday.—*[Mr. David.]*

ADJOURNMENT (CHRISTMAS)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments),

That this House, at its rising on Tuesday 18th December 2007, do adjourn till Monday 7th January 2008.—*[Mr. David.]*

Question agreed to.

PETITION

Planning and Development (Okehampton)

7.27 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I have the honour to present the petition of 1,500 of the townspeople of Okehampton in my constituency. The

petition has been collected by Mr. Mel Stride and an indefatigable band of helpers from all parties. It is their heartfelt conviction that their town is being expected to absorb massive housing development, amounting to many hundreds of new homes without adequate investment and planning for the schools, medical facilities, roads and other infrastructure to support them.

The petition states:

The Humble Petition of the people of Okehampton and its surrounding area,

Sheweth

That Okehampton is a market town that already suffers from significant traffic congestion and associated pollution, notes that there exists a high level of local demand for primary school places and local healthcare, and is concerned that the current infrastructure is overwhelmed.

Wherefore your Petitioners pray that your honourable House impresses upon the Government and the Department for Communities and Local Government the acute strain on Okehampton's schools, hospital, and roads, and the need for any further development, particularly of housing, to be supported by adequate provision of new infrastructure, so that its problems are resolved, not exacerbated.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000048]

Bangladesh

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. David.]*

7.28 pm

Jeremy Corbyn (Islington, North) (Lab): I am pleased that we can have a short debate on the situation facing Bangladesh. As I have already explained to the Minister for the Middle East, I want to concentrate on two aspects of life in Bangladesh—the cyclone and the disasters that followed, and the current political situation in the country.

It would not be right to make that part of my speech without first recognising the fact that there is a large Bangladeshi community in Britain, in London and in many other cities, and also recognising the incredible contribution of its members to our society and life—especially in the restaurant and garment industries. Through their hard work, they have sent large amounts of money home, which has played a major part in the development and improvement of Bangladeshi society. It should be on the record that members of that migrant community have come here to contribute, to work, to support each other and to become a positive force in our community.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Like my hon. Friend, I have a large Bangladeshi community in my constituency. Does he agree that there is considerable concern in that community, and elsewhere—I have heard concerns from across the Bangladeshi community in London—about the political situation in Bangladesh? People are looking to the British Government to do something to help. This debate is an ideal opportunity for the Minister to set out how he can help with the situation.

Jeremy Corbyn: That is absolutely right. That is the case with many people in the community whom I have met and worked closely with, including my good friend the former Islington councillor Talal Karim, who has helped a great deal with the preparations for this debate.

Those of us who have followed Bengali politics over a long period recognise that the country is in a difficult position geographically on the globe. It has a population of 150 million, which is growing quite slowly. The increase is down to 1.5 per cent. a year. That is a credit to the country's development strategies. About 30 per cent. of the population live in urban areas. However, the population density, at 1,100 people per sq km, is among the highest in the world. Infant mortality rates have fallen to 54 per thousand live births and life expectancy is now 62.8 years. Although adult illiteracy has not been conquered yet, the literacy rate is up to 41 per cent. and is rising quite fast. So, there are signs that there is much to be pleased about when it comes to the improvements that are taking place in Bangladesh. Bangladesh is also an important trading partner with this country. Exports from Britain to Bangladesh and vice versa are growing fast, and therefore access to EU markets and so on is important. However, those are not the main points that I want to talk about today.

Bangladesh achieved its independence in 1971, after the war in which the Mukti Bahini led a guerrilla force against the forces of the Pakistan Government in what

[Jeremy Corbyn]

was then East Pakistan. On independence, Bangladesh was keen to develop a secular constitution, a constitutional and democratic form of government, and a democratic way of life. It is important—I will come back to this later, and I am sure that the Minister will want to mention it as well—that a secular constitution and secular politics are maintained in Bangladesh. I am sure that other Members who have a Bengali community in their constituency would agree.

Before I go on to the politics, it is only right to talk about the current crisis facing the people of Bangladesh. Cyclone Sidr has probably already resulted in around 3,000 deaths. The figures beggar belief. Many estimates say the number of deaths could be as high as 10,000. Large numbers of people—many tens of thousands—have been made homeless. Roads and infrastructure have been destroyed. Large numbers of livestock are dead, many of them drowned, because of the cyclone. Tens of thousands of acres of cash crops have been destroyed.

The immediate crisis is one of life and limb. The next crisis, following on quickly after that, is the shortage of drinking water. The next crisis is food. Then, after the immediate problems have been resolved, there is the task of rebuilding and of feeding the population. Bangladesh suffers periodically from floods, because it is low lying, on a river system, and liable to cyclones. We have to do all that we possibly can to help. Saudi Arabia has pledged help. The United Kingdom has already sent $5 million of aid, for which I thank the Secretary of State for International Development. The US is providing aid, as are neighbouring countries, including India. We have to recognise that these things happen from time to time in Bangladesh, and we have to do all that we can to support it as rapidly as possible.

John Battle (Leeds, West) (Lab): There was a cyclone in 1991 and in 1998. They happen periodically, and that may be the result of climate change. It is key that we not only provide emergency aid, but make sure that development agencies do not walk away from the longer-term development of Bangladesh when it is no longer in the headlines, few though those headlines have been.

Jeremy Corbyn: My right hon. Friend makes an important point. The current disaster is truly appalling, but the question is what happens afterwards. I will come back to that, if I may. I know that the Minister is from the Foreign Office, and therefore cannot be expected to speak on behalf of the Department for International Development, but perhaps he could pass on to DFID the concerns that some people have about too much of our aid being focused through official or quasi-official channels. There is an important role for local Bangladeshi non-governmental organisations and for the voluntary sector across the world. For example, today I received very useful briefings from Save the Children, and from the Disasters Emergency Committee on its work.

As my right hon. Friend the Member for Leeds, West (John Battle) pointed out, because of Bangladesh's infrastructure problems, there are serious issues to do with inequality in the distribution of aid. A photographer, Ruhul Amin, is reported in *The Muslim News* as saying that

"those who live beside the roads get more relief material than they need while those in far flung areas, especially offshore and remote islands, along with inaccessible villages, are not even getting the minimum...better coordination...of relief is just part of the problem."

There is also the question of longer-term development and protection against cyclones and floods. I recall that after a previous flood in Bangladesh, the Secretary of State for International Development spoke, quite correctly, about the need for shelters and raised areas to which people could escape when floods come; those things are very important.

I congratulate DFID on the excellent support and help that it has given, but we need to concentrate rapidly on developing a warning system—such systems are much better than they ever used to be—and on a thorough reconstruction job, with properties that are to some extent cyclone-proof where that can be achieved, and refuges. A good emergency system is also needed, because Bangladesh does not have enough helicopters or other equipment to get aid to remote places. It has to plead with India, the United States and others to send that kind of equipment as quickly as possible. I would be grateful if the Minister could help us to some extent on those matters when he replies.

I will be brief, so that the Minister has sufficient time to reply, but the second part of my speech concerns the political situation in Bangladesh. As I pointed out, Bangladesh achieved independence in 1971. We are still dealing with the effects of the division of British India in 1947, and we will all be dealing with those effects for a long time to come, whether we like it or not. It was a great historical event. Bangladesh set up a democratic, secular constitution in 1972. The country's future looked hopeful and rosy. The first President, Sheikh Mujib, was in office in 1972, and was assassinated in 1975 in the first military coup. There followed various periods of military government in Bangladesh, interspersed with elected government.

Tragically, violence has been a feature of life in Bangladesh—political and terrorist violence, and gratuitous violence against minorities. Many people have suffered as a result. For example, Kibria, a former Finance Minister, was assassinated in 2005. That got enormous publicity at the time because the British high commissioner was injured during the assassination. I want to draw to the House's attention the problems with human rights in Bangladesh, and the abuses that are going on.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I congratulate my hon. Friend on securing the debate, which is highly appropriate. Like him, I learned about Bangladesh through the eyes of a good friend, Talal Karim. I have never visited Bangladesh; I have only seen it on television. Does my hon. Friend agree that the tragedy of Bangladesh is that democracy has never been able to mature there? There have been regular military coups, and democracy never had the opportunity to flourish, so the country has never been able to find direction. Does he share those concerns?

Jeremy Corbyn: I do indeed share those concerns. Although the constitution allows for democratically elected government, there has always been the concern that the military might take over and remove the elected system. There is a constitutional safeguard that in many ways is very good. In the period surrounding an election,

an interim Government have to take office. The interim Government are to be in office for only three months. Their role is to oversee the election period and the installation of the new Government. That is a laudable democratic aim that many other countries might think about.

The present problem is that the interim Government have already been in office for the best part of a year and plan to be in office a lot longer. There are concerns about that because of what is happening now in Bangladesh. Human Rights Watch, reporting on the events of 2006, states:

"Security forces used mass arrests as means to suppress demonstrations. Workers in the export garment industry were subjected to violence and job dismissal in response to demands for wage increases and safe work conditions. Violence by religious extremists increased, and fundamentalist political groups gained influence in government."

The report continues:

"Death in custody is common. In 2006, 51 prisoners, of whom 32 were reported to have died from various causes, including violence by fellow prisoners, and delays in medical treatment."

It goes on to list many other issues surrounding corruption, the treatment of minorities and religious tensions in the country. These are matters of enormous concern.

Sophie Richardson, Asia advocacy director at Human Rights Watch, referring to the ban on political life in Bangladesh that has been imposed by the interim Government, states:

"The idea that politics is banned in a democracy is bizarre. If the Bangladeshi authorities are serious about restoring democracy, they must fully end the ban on political activities."

The Human Rights Watch report goes on to say:

"However, the partial lifting of the ban",

which has happened,

"will only allow a political party to meet to discuss internal party reforms in the context of the Election Commission's proposals for electoral reform. Parties will still be required to inform the Dhaka Metropolitan Police in advance about all meetings. A maximum of 50 party members will be allowed to attend each meeting. The ban on all other political meetings will remain in force in the rest of the country. Under the Emergency Powers Rules of 2007, those who violate the restrictions face prison terms of two to five years as well as fines."

Those are draconian measures, to put it mildly. I hope that our Government will be prepared to make appropriate and strong representations about them. Although we would all agree with the interim Government's laudable aim of fighting corruption, the best antidote to corruption is accountable government through a democratic process—through the ballot box. It is therefore important that we make all the representations we can on that topic.

The leaders of the major political parties, Sheikh Hasina and Khaleda Zia, often referred to disparagingly as the two sisters of Bangladesh, have very different political views and political aspirations. That is what democracy is about. Both are in detention, having returned to the country. We heard today that Sheikh Hasina has been given a date for her trial. Unfortunately, the trial will take place in front of a special court. I hope that the Government will send observers and make the appropriate representations to ensure that she has an open and fair trial. Those of us who met Sheikh Hasina in this country before she went back watched with amazement as she was preparing to go back. Indeed, I had a meeting with her on the day that she was preparing to go back. At that moment a call came through from British Airways saying that she could not get on the plane because it would not be allowed to land in Dhaka. Considerable negotiations followed. She wanted to go back to face the trial. That, surely, is to her credit.

My last point is that according to Amnesty International, about 20,000 people are being held under special powers in Bangladesh, which is rather more than the number being held in Pakistan. I am not defending Pakistan's human rights record—far from it. I merely make the point that a large number of people are being held in detention in Bangladesh.

I hope that our Government will do a number of things. We are already doing the first, which is supporting the people in their hour of need after the cyclone, and I applaud what is being done. The Government should make all the representations possible to a fellow Commonwealth country about democracy and the restoration of democratic rights, and they should also send observers to the trial that I mentioned, to the electoral registration process and to the elections—if and when they finally take place.

I am a representative of the Bengali community in my constituency. I am very proud of that community, and I know that it, too, feels the pain of the lack of democracy in Bangladesh and that it wants democratic rights restored. I am sure that we would support that community in that laudable aim.

7.45 pm

The Minister for the Middle East (Dr. Kim Howells): I thank my hon. Friend the Member for Islington, North (Jeremy Corbyn) for securing this debate, and I welcome his close interest in the important issues that he raised. He is an indefatigable champion of the Bangladeshi communities in this country, as indeed are my hon. Friends the Members for Edmonton (Mr. Love) and for Middlesbrough, South and East Cleveland (Dr. Kumar), who made interventions, and the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who has been giving me a running commentary from the Front Bench.

My right hon. Friend the Member for Leeds, West (John Battle) also intervened. I know from long experience that he has been very interested in this subject and is a firm supporter. He and my hon. Friend the Member for Islington, North have emphasised, and reminded us of, the vital part played in the life of our country by the Bangladeshi community. We ought to celebrate that, and it is an important point to make.

Hon. Friends spoke of the tragedy of the cyclone and floods in Bangladesh earlier this month, and Her Majesty the Queen and my right hon. Friend the Prime Minister have expressed their shock and sadness. Our hearts go out to those who have lost loved ones and to those who have lost homes and livelihoods. I salute the resilience of the Bangladeshi people in the face of natural disasters, which sadly they know only too well. I have been fortunate enough to visit Bangladesh on a number of occasions, and I know that its terrain must be among the toughest in the world for people to eke out a living—it is astonishing how they manage to do it. The

[Dr. Kim Howells]

impact of the cyclone and the floods was devastating, but it would have been worse without the early warning system and the contingency measures developed over recent years and implemented effectively by the caretaker Government.

My right hon. Friend the Secretary of State for International Development today announced a contribution of £7 million for immediate to medium-term relief efforts—I did not pick that up in the speech made by my hon. Friend the Member for Islington, North but I think that he mentioned it—and £2.5 million has already been channelled through the United Nations Development Programme to provide safe water, food, medical treatment and housing repairs. The remaining part of our contribution will be used to fund gaps in existing provision, particularly that for clean drinking water and sanitation. I was grateful to my hon. Friend for highlighting some of the difficulties in the distribution of that aid. I have seen for myself after other disasters that people who live nearest the roads can be the more fortunate ones in receiving such aid, but I am sure that great efforts are being made to get this aid out to the more remote areas, too. We are considering further assistance as the needs become clearer.

I pay tribute to the impressive contributions of the Bangladeshi community in the UK. It quickly began raising large sums for the Disaster Emergency Committee, whose appeal is also raising additional resources for those affected. I am sure that my hon. Friend the Member for Islington, North knows this, but it is worth repeating to the House that the development programme in Bangladesh managed by the Department for International Development is a vital part of our bilateral commitment, and is valued very highly by the people of Bangladesh and by the caretaker Government. Indeed, the United Kingdom is the largest bilateral donor to Bangladesh, with a programme of nearly £117 million this year. Bangladesh represents the United Kingdom's second largest country development programme worldwide. That is a sign of the warm relationships between our two peoples and the understanding in this country of the need to support Bangladesh and its democracy and to ensure that such natural disasters do not make matters worse than they already are.

John Battle: DIFD has produced a country strategy for Bangladesh that lasts from 2006 to 2010. That is very progressive and it addresses the longer term, but we need to get the World Bank, the European Union and other donors behind it; otherwise we will go through disaster after disaster and pick up the pieces. Will my hon. Friend press his colleagues to encourage other donors to get behind that longer-term strategy?

Dr. Howells: My right hon. Friend makes a good point. That is one of the ways of doing it, as my hon. Friend the Member for Islington, North might have said had he not lacked time. Bangladesh could become one of the world leaders in tackling climate change. It has 30 million—perhaps even 70 million—people threatened by rising sea levels. We should approach that bilaterally as well as trying to involve the big international funding organisations in projects to help the Bangladeshi people themselves to take these schemes forward.

My hon. Friend spoke about the political situation in Bangladesh. We should not forget the scale of the crisis when the President of Bangladesh asked the caretaker Government—my hon. Friend called it the interim Government—to take on their heavy burden in the first place. A confrontational, winner-takes-all political culture, deep-rooted corruption, cronyism and falling standards of governance added up to a raw deal for the people. I saw that for myself, time and again, when I visited Bangladesh. The country was nowhere near reaching its full potential. This time last year, we saw violence on the streets between the parties ahead of elections that showed no signs of meeting the "free and fair" test. Members of the public and of civil society told us repeatedly that the status quo could not continue. There had to be fundamental change to put Bangladesh on the right track, and the country needed, and continues to need, a political overhaul.

That is not to say that good things have not happened in Bangladesh; my hon. Friend mentioned some of them. The country has made impressive progress on poverty reduction, with poverty being reduced from 58 per cent. in 1990 to 40 per cent. in 2005, as well as progress on gender equality. Bangladesh's pioneering of systems of micro-credit has gained global admiration. Those systems have been replicated around the world, wherever I go. Bangladesh should be very proud of that. Bangladesh's armed forces have forged a good reputation in United Nations peacekeeping missions around the world. The economy has achieved steady growth. The frustration was that Bangladesh should have been doing even better—much better—and that the focus of the political class on self-interest was depriving many Bangladeshis of the chance of a better life and a chance to share in the country's prosperity.

By January 2007, Bangladesh had been pushed to the brink of state failure. I say that after a great deal of consideration. We were as worried about Bangladesh a year ago as we were about anywhere in the world. Because it is such a populous country with so many people living on the edge, it was very important that something was done to start pulling its politics around. There was an urgent need for an Administration who would put the interest of the Bangladeshi people first and put Bangladesh on the right track. It is unfortunate that circumstances arose in which a state of emergency was declared. We do not want that, and I fully understand my hon. Friend's concern. We welcomed the appointment of the caretaker Government as offering an opportunity to establish conditions for credible elections that could sustain democracy in the longer term.

We believe that the caretaker Government have taken at least some constructive steps towards those goals. I see plenty of evidence of concrete action towards creating a strong Bangladeshi democracy that can endure. My hon. Friend the Member for Islington, North and I could talk for a very long time about the time lines that he mentioned and about the need to get to elections as quickly as possible while producing a sustainable result. It would be a disaster to hold elections that were not regarded as free and fair because we would probably see another cycle of corruption and military action.

There has been good progress on the production of a revised and accurate new photo-voter list. The judiciary has been separated from the Executive, which was an historic step. The election commission has been strengthened and made independent and the anti-corruption commission rejuvenated and given unprecedented bite. There are

measures to reform public service and make merit the basis for advancement, and there are signs of better relations with India. That is a notable list of achievements 10 months on, but important challenges lie ahead, including food prices, which are the main concern for many Bangladeshis. Effective management of the economy will be key over the next year, and beyond.

Our Government strongly support the road map to elections by December 2008 at the latest. As my hon. Friend the Member for Islington, North has pointed out, that is a long way away. We are offering practical support for election preparations. It is our strong impression that the majority of Bangladeshis accept that time is needed to put in place preparations for free, fair and credible elections for a democracy that can endure. We welcome the chief election commissioner's remarks that the date for elections could be brought forward if the voter list and electoral reforms can be completed earlier then planned. If the date of elections can be advanced, it should be. We welcome the good progress that has been made on preparing the new voter list.

Jeremy Corbyn: I realise that my hon. Friend has very little time left, but will he put what pressure he can on Bangladesh to lift its ban on political activities and to release its political prisoners—and all others held under emergency legislation—so that they can go through the normal judicial process?

Dr. Howells: We are certainly in favour of releasing political prisoners anywhere in the world. I welcome the attention that my hon. Friend has drawn to the important issues of due process of law and human rights. He raised a particular concern about the treatment of Sheikh Hasina and Begum Zia, both of whom I have met on several occasions. I remind him that both have been charged with corruption and extortion, and remain in detention in so-called sub-jails. We cannot ignore that. Their cases are within the judicial system of Bangladesh, and we have consistently urged the caretaker Government to ensure that due process and individual rights are upheld, and that trials are independent and fair, consistent with Bangladesh's international human rights obligations.

In the few moments left to me, this crackdown on corruption—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at two minutes to Eight o'clock.

Deferred Division

GLOBAL NAVIGATION SATELLITE SYSTEM AND THE EUROPEAN INSTITUTE OF TECHNOLOGY

That this House takes note of European Union Documents No. 13112/07 and Addendum 1, Commission Communication: Progressing Galileo: re-profiling the European GNSS Programmes; No. 13113/07, amended draft Regulation on the further implementation of the European satellite radionavigation programmes (EGNOS and Galileo) and No. 13237/1/07, Commission Communication concerning the revision of the multi-annual financial framework (2007-2013), on re-profiling the Galileo programme and on the proposal for the revision of the Financial Perspectives to finance the Galileo programme and the European Institute of Technology; and endorses the Government's approach to discussions on these documents.

The House divided: Ayes 267, Noes 201.

Division No. 010]

AYES

Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Iranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
MacShane, rh Mr. Denis
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thomberry, Emily

Tipping, Paddy
Touhig, rh Mr. Don
Turner, Dr. Desmond
Turner, Mr. Neil
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Bone, Mr. Peter
Boswell, Mr. Tim
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Philip
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Foster, Mr. Don
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

House of Commons

Thursday 29 November 2007

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Local Government Finance

1. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What recent discussions he has had with the Secretary of State for Communities and Local Government on the system of local government finance in 2007-08. [169063]

The Chief Secretary to the Treasury (Andy Burnham): Treasury Ministers meet regularly with ministerial colleagues in the Department for Communities and Local Government to discuss a wide variety of issues, including local government finance. The local government settlement for 2007-08 was set out to the House in December 2006. The Secretary of State will announce the next provisional finance settlement very shortly.

Mr. Hands: I am the only Member of the House whose constituents have lower council tax bills this year than last year, thanks to the new Conservative council in Hammersmith and Fulham. Across the UK, council tax has almost doubled under Labour in the past 10 years, but despite that, the Government claim to want lower bills. How can hard-pressed councils deliver lower bills, faced as they are with the worst financial settlement in 10 years under the Government?

Andy Burnham: May I point out to the hon. Gentleman that there have been real-terms increases for councils in every year of this Government? That was not the case in the last four years of the Conservative Government. Councils have seen real-terms increases of 39 per cent. in their resources. The hon. Gentleman did not mention that his local authority is also pursuing an extremely aggressive programme of cuts in services locally. Given that his council received a 3.4 per cent. increase from the Government last year, we would argue strongly that that was sufficient both to keep council tax down in Hammersmith and Fulham and to maintain good services for vulnerable people in his community.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): When my right hon. Friend is considering the settlement, particularly in the case of Hammersmith and Fulham council, will he look at the £34 million of cuts aimed at vulnerable people in that borough, which are being made to achieve a 50p a week cut in council tax? Those cuts are embarrassing to many Conservative councils, which are wondering how they will convince the Government that they are short of money when Hammersmith and Fulham appears to be able to come up with sums of money simply by attacking vulnerable people in the borough.

Andy Burnham: We gave a generous increase to the council last year, which should be sufficient to keep council tax down and provide good services to vulnerable people. I am aware that there have been some changes to the provision of social services in Hammersmith and Fulham, and other changes too. We believe that the funding given was enough to keep council tax down and provide the services that my hon. Friend's constituents depend upon.

Sir Nicholas Winterton (Macclesfield) (Con): Is it right, given the additional responsibilities that are placed upon local government by central Government, that, on the one hand, the resources allocated—certainly to my own council—are inadequate, while, on the other, if councils wish to raise the council tax locally in order to provide the level of service that they believe people deserve and expect, they are not able to do so because they are capped?

Andy Burnham: There is a legitimate criticism to be made about the level of burden that is placed on local authorities by central Government—I hear the hon. Gentleman on that point. That is why, working together, the Secretary of State for Communities and Local Government and I, in order to inform the spending review, have conducted a rigorous exercise cutting the number of targets that we place on local government. There will be a significant reduction in those targets, down to a total of 198 from well over 1,000. I understand the message delivered by the hon. Gentleman, but we are clear that the settlement that we have provided in the comprehensive spending review enables councils to keep council tax rises to substantially below 5 per cent. and also to improve services and maintain good quality services that people depend upon.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Does my right hon. Friend think it interesting that when the Conservative chairman of the Local Government Association recently commented that this was the worst settlement for local government in the past 10 years, he made no comparison with settlements of 15, 20 or 25 years ago?

Andy Burnham: My hon. Friend raises an incredibly important point: so often the context is missing. I have those figures—11, 12, 13 and 14 years ago, there were real-terms cuts every year in the funding provided from central Government to local government. In 1995-96, for instance, there was a 4.6 per cent. cut. As my hon. Friend will remember from his background in local government in Sheffield, that caused deep and devastating cuts in the services that his constituents at that time greatly depended upon. That is the difference between our record and the record of the Conservatives, and they should show a little more humility when commenting on such matters.

Bank Charges

2. **Mr. Brian Binley** (Northampton, South) (Con): What assessment the Government have made of the time taken by the Office of Fair Trading to investigate bank charges. [169064]

The Economic Secretary to the Treasury (Kitty Ussher): The Government have made no such assessment. The OFT began its formal investigation into whether the charges levied by banks breach the unfairness test in the Unfair Terms in Consumer Contracts Regulations 1999 in April 2007. Until recently, there had been no High Court cases on that subject, but it soon became clear that a wider test case was needed to resolve the issue and to provide legal certainty. That process is now under way, and it is initially focused on clarifying whether the regulations apply or not.

Mr. Binley: I thank the Economic Secretary for that full answer, for which I am most appreciative. Millions of families could face additional bank charges, because data files containing their banking details are God knows where. [HON. MEMBERS: "Reading."] Will the Government assure me that they have spoken to the banks to ensure that, if the loss of data leads to identity fraud that causes accounts to be overdrawn through no fault of the families themselves, the Government will underwrite the resulting charges, ensuring that individuals do not suffer for the deplorable error of Her Majesty's Revenue and Customs?

Mr. Speaker: Order. I remind the House that the reading of supplementary questions is not desirable.

Kitty Ussher: The Government are, of course, in continual dialogue with the banks, but as the banks have reported to us that there is no evidence of fraudulent activity, I consider the hon. Gentleman's question to be hypothetical.

Jessica Morden (Newport, East) (Lab): It is a frustrating time for many of my constituents who are caught up in the waiver as they wait for the test case to come to court in January. Will the waiver be revoked if the case does not make progress or if it is delayed?

Kitty Ussher: I understand the frustration faced by my hon. Friend's constituents and, indeed, the constituents of all hon. Members. However, the decision on the waiver is entirely for the Financial Services Authority, which recently completed a review of it, and concluded that on the whole, although there are some issues to be looked at, the waiver is operating satisfactorily. It is inappropriate for me to say more while a legal case is ongoing.

Adam Price (Carmarthen, East and Dinefwr) (PC): One of the conditions of the waiver was that the banks did not make materially adverse changes to their charges, which is precisely what they are doing. Most recently, the Co-op bank lifted its daily overdraft rate, which particularly affects low-income customers. Because the condition of the waiver is now being breached, surely the Economic Secretary should be calling for the FSA to raise it.

Kitty Ussher: The waiver is a matter for the FSA. As I have said to my hon. Friend the Member for Newport, East (Jessica Morden), the FSA recently completed a review of the waiver consulting both consumer groups and banks. The findings suggest that the waiver is working satisfactorily. If the hon. Gentleman has evidence to the contrary, I would be happy to pass it on to the FSA.

HMRC (Personal Data)

3. **Gregory Barker** (Bexhill and Battle) (Con): What recent assessment he has made of the implications of the loss by Her Majesty's Revenue and Customs of personal data. [169065]

The Chancellor of the Exchequer (Mr. Alistair Darling): I refer the hon. Gentleman to the statement that I made in the House on 20 November and to what I said in yesterday's debate.

Gregory Barker: It is clear that the matter goes much wider. On 31 October, my constituent, Mr. King of Bexhill, received a letter from HMRC, in which he was advised that a CD that had been sent to his pension provider, Standard Life, containing his surname, national insurance number, date of birth and plan reference number, had gone missing. He wants to know how many other CDs went missing before the CD that was sent to Standard Life, as well as the one that was sent out by HMRC with 25 million names on it. How many CDs went missing? How many of them have been accounted for? How many of them are still missing? And why, when CDs have gone missing in the past, did Ministers not act beforehand?

Mr. Darling: On the discs that went missing from the Standard Life, the hon. Gentleman will recall that I referred to that matter specifically in my statement on 20 November. As a result of that incident, HMRC wrote to all those affected, including the hon. Gentleman's constituent. The circumstances relating to the losses of that material, and in relation to the much larger loss of child benefit records, are currently the subject of investigation by Kieran Poynter, the senior partner at PricewaterhouseCoopers. We will have his interim report in three weeks' time, and, as I said yesterday—I do not think that the hon. Gentleman was here for yesterday's debate—I intend to report to the House when I get that report.

John Hemming (Birmingham, Yardley) (LD): In yesterday's debate, the Government said that HMRC is still sending out CDs from time to time and encrypting them only when necessary. Why is it necessary to send out any CDs, and why, if CDs must be sent out, which is obviously the worst possible method, is it not always necessary to encrypt them?

Mr. Darling: It is necessary from time to time for information to be sent between offices, which is normal. We have ensured that procedures have been tightened, particularly in relation to bulk transfer. The transfer of information by HMRC will be the subject of the report that I have commissioned. I agree with the hon. Gentleman, many hon. Members and many people outside this House that we need thoroughly to

examine how information is transferred and to ask ourselves whether it needs to leave a particular building in the first place. If information needs to be transferred, we need to consider the necessary security such as encryption or another appropriate measure. I have given Kieran Poynter wide-ranging terms of reference, so that he can cover all those matters. We will receive his interim report fairly shortly, and we will get a wider report in the spring, which will allow us to take whatever action is appropriate.

Mr. Graham Stuart (Beverley and Holderness) (Con): Does the Chancellor now regret that both he and the Prime Minister specifically allocated initial responsibility to a junior official? Does the Chancellor regret that that individual has been hounded and forced into hiding?

Mr. Darling: As I said yesterday, what I said in my statement on 20 November was absolutely correct in accordance with the information that I had then and that I have now. I covered all such matters in yesterday's debate. As I say, we will have the interim report from Kieran Poynter very shortly; that will allow us to draw conclusions and take the necessary action as a result of what happened.

Mr. David Gauke (South-West Hertfordshire) (Con): After the Chancellor was informed of the loss of the data, why did it take him six days to inform the banks? Why does it appear from the e-mails released by the National Audit Office that it took seven days before HMRC searched the offices of the NAO?

Mr. Darling: Again, I explained that when I gave my statement on 20 November. When I was told what had happened, I asked HMRC to carry out a thorough search, using its Customs investigations officers. When it was clear that that had not found anything, the Metropolitan police were called in and they carried out various searches. The position is that various buildings belonging to Revenue and Customs and the NAO were searched at various times as it became clear that the discs had gone missing. However, I covered all those points, both in my statement and in the debate yesterday. As I say, not only is the Metropolitan police investigation continuing, but we will have the results of Mr. Poynter's review fairly shortly. We can then discuss the matters further.

Northern Rock

4. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): If he will publish the letter of advice that he received from the Governor of the Bank of England on support for Northern Rock. [169066]

The Chancellor of the Exchequer (Mr. Alistair Darling): As I said to the Treasury Committee on 25 October and in my statement to the House on 19 November, I do not believe that it would be in the public interest to publish the letters at this time. But I will keep the position under review, as I said then.

Mr. Goodwill: How, precisely, are the Government funding the £25 billion support package for Northern Rock? If that support is, as we are told, coming from the "contingency fund", how much is left in that fund?

Mr. Darling: The money provided by the Bank of England comes directly from it, but of course the Government stand behind the Bank of England to provide the necessary support. However, I say this to the hon. Gentleman: when I authorised the Bank of England to provide support for the Northern Rock bank, that was widely welcomed; indeed, the Leader of the Opposition said that he wholeheartedly supported it. I am sorry that many Conservatives are now trying to run away from that decision. I believe that it was absolutely right then and it remains the right thing to do now.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Chancellor of the Exchequer recall that way back in February 1974, the Government had to intervene on another giant, Burmah Oil? They had to take it over because otherwise it might have caused a run in various other areas. The result was that Burmah Oil's price rise was enormous in the following months, when Margaret Thatcher's husband decided to sue the Government because he wanted the elevated price rather than the price when Burmah Oil collapsed and—

Mr. Speaker: Order.

Miss Julie Kirkbride (Bromsgrove) (Con): He should retire.

Hon. Members: Oh!

Mr. Darling: I do remember Burmah Oil, but not in sufficient detail to be able to comment on what my hon. Friend has said. As I said a few moments ago, it was absolutely right to support Northern Rock when it got into difficulties because of the wider interests of maintaining financial stability in the system.

Mr. Mark Field (Cities of London and Westminster) (Con): Does the Chancellor not appreciate that his lack of transparency on all these issues gives further rise to the suspicion that his actions in mid-September were driven more by keeping his own heartlands in the north-east happy and by his having an eye towards what was going to be an early election? Does he not realise that transparency is now of key importance if there is to be general confidence in his actions on Northern Rock, going forward?

Mr. Darling: The hon. Gentleman makes light of the importance of Northern Rock to the north-east of England. It is a very important company that employs more than 60,000 people. It was decided that we should intervene to support Northern Rock because of the threat to the wider banking system if it had gone down. I repeat that I was absolutely right to authorise that support and, having authorised it, we need to see it through. A lot of Opposition Members are now trying to run away from that decision, which they initially supported. It was the right thing to do because it was important that we maintained confidence and stability in the banking system. That is why we will continue to do whatever is necessary to ensure that that happens.

Julia Goldsworthy (Falmouth and Camborne) (LD): Can the Chancellor clarify the exact level of security that the Government have on their £24 billion loan to

Northern Rock? Is it not the case that while half of it has good security, the other half is optimistically secured against the bank's free assets, the value of which is now under question in the falling housing market?

Mr. Darling: As I said when we last discussed these matters in the House, the Bank of England's lending is secured against assets currently held by Northern Rock, as we would expect. I am not sure whether the Liberal position is that we should or should not have intervened; that is not terribly clear to me. However, having decided to take the action to support Northern Rock, it is important to see it through. At the moment, discussions are taking place with Virgin with a view to a possible acquisition, and clearly I will keep the House informed. Having decided on a course of action, the important thing is to see it through to ensure that we can maintain stability in the wider system as well as ensuring that we do everything that we can to help the position in relation to Northern Rock.

Mr. Michael Fallon (Sevenoaks) (Con): Given the huge amount of taxpayers' money now pledged, rumoured to be about £25 billion, why should the actual amount of the loan, the terms of the loan and the repayment schedule continue to be kept secret from Parliament?

Mr. Darling: For the very good reason that if central banks provided what would in effect be a running commentary on such support, they would find it difficult to be able to intervene. The hon. Gentleman is a member of the Treasury Committee, and one of the questions that it is considering for the future is how the Bank of England and other central banks provide effective support. There has been a lot of discussion about that. Providing a running commentary on what central banks happen to be doing at times such as this would not be a very good idea, but, as I said when I appeared before the Committee, I know that it is considering the matter, and I will be happy to consider any recommendations that it has.

Sir Peter Tapsell (Louth and Horncastle) (Con): The protection of the position of the depositors and shareholders of Northern Rock is of pre-eminent importance, but does the Chancellor agree that while the liquidity crisis of the world's largest banks continues, consideration should be given to an easing of the regulatory capital requirement under the Basle agreement?

Mr. Darling: I agree with the hon. Gentleman that protecting depositors is important; that is why I provided the guarantees that I did when Northern Rock got into difficulty. In relation to the wider issues, I also agree that it is not just capital adequacy that is important but the availability of liquidity. The House may be aware that the Bank of England announced this morning that it is injecting additional sums into the system through its market operations, especially as we approach the year-end, when banks will be reporting. I think that the Governor made a statement to that effect when he appeared before the Treasury Committee earlier today.

I am sure that many people will welcome the fact that the Bank has said that it will make that facility available and that it stands ready to take whatever action is appropriate to ensure that overnight bank lending rates remain as close as possible to the Bank's current rate.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): The Chancellor previously told the House that he could not publish the letters from the Governor of the Bank of England and the chairman of the Financial Services Authority because although the Governor agreed to his letter being published, the chairman of the FSA did not agree to his letter being published. Question 4 asks the Chancellor to publish the Governor's letter. Will he ask the chairman of the FSA if he has any objection to the Governor's letter being published, and if he does not, will the right hon. Gentleman give the House a commitment that he will publish it?

Mr. Darling: As I said in my initial reply, I will keep the matter under review, but I have also said that the Governor's letter, the letter from the chairman of the FSA and my reply to them have to be seen as a whole. I do not think that it is in the public interest to publish them at the present time.

Work Force Skills

5. **Mr. Kevan Jones** (North Durham) (Lab): What recent assessment he has made of the economic impact of the quality and range of skills of the UK work force. [169067]

7. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What recent assessment he has made of the economic impact of the quality and range of skills of the UK work force. [169069]

The Exchequer Secretary to the Treasury (Angela Eagle): As Lord Leitch set out in his independent report on the UK's long-term skills needs, the improving skills profile in the UK work force over time has contributed to economic growth. He also concluded that a skilled work force are increasingly critical if the UK is to continue to grow to meet global challenges. *[Interruption.]* Therefore, the Government will increase expenditure on higher education and adult skills by £2.2 billion over the next three years to support further improvements in the UK skills base at all levels.

Mr. Jones: Would my hon. Friend agree that— *[Interruption.]*

Mr. Speaker: Order. The hon. Member for Bolsover (Mr. Skinner) has had his question and now he must listen to others. It is something he will have to learn, and it is not too late for him to learn after all his years in this House.

Mr. Skinner: Tell George to shut his—

Mr. Speaker: Order. The hon. Gentleman has got to be quiet.

Mr. Jones: Would my hon. Friend agree that for regions such as the north-east, a highly skilled work force are essential? Would she congratulate the North East Process Industry Cluster, based in Teesside, which is doing a lot, not only to identify skills shortages and to ensure that they are filled, but to encourage youngsters in schools and to target women with regard to the good career structure in the process industries?

Angela Eagle: My hon. Friend is absolutely right. It is important that the Government and employers work together to identify those areas where there are skills shortages and act with the money that we have been able to give to deal with them. The latest national employers' skills survey has just demonstrated a fall in employers reporting skills gaps—down from 22 per cent. of employers in 2003 to only 15 per cent. this year.

Ms Angela C. Smith: Does my hon. Friend agree that employers must play a much bigger role in improving the skills levels of the UK work force? Does she also agree that more must be done to get employers to meet this challenge?

Angela Eagle: I agree with my hon. Friend's comments. That is why the train to gain budget, which involved employers closely in the design and supply of training in employment, has been doubled and will stand at £1 billion by 2010-11.

Mr. Richard Spring (West Suffolk) (Con): Given the constant complaints of industry about the poor technical skills base in this country, why is it, after 10 years, that we still lag so dramatically behind competitor countries such as France and Germany?

Angela Eagle: We started from a lower base after 18 wasted Conservative years, which saw apprenticeships all but destroyed, massive youth unemployment and an entire generation condemned to the scrap heap. We have made great progress in the last 10 years, and we intend to make even more in the next three.

Mr. John Redwood (Wokingham) (Con): Given the need for great skill when undertaking banking transactions, such as making large loans or keeping money markets liquid, what plans are there for Treasury Ministers to go on courses?

Angela Eagle: I have a degree in economics; it is not a bad start.

Phil Wilson (Sedgefield) (Lab): Does my hon. Friend agree that this Government's commitment to skills has led to 1.8 million people finding jobs because of the new deal? Because of that and other skills initiatives, and the strong economy, unemployment in my constituency is now beneath the national average. Under the Tories it was 40 per cent. in some areas.

Angela Eagle: I agree wholeheartedly with my hon. Friend. We now have 2.8 million more people in work than we had 10 years ago, and 1 million fewer on out-of-work benefits, which cuts the bill of failure and allows us to give opportunities to many people that were never there in the 18 wasted Tory years. We intend to continue, deepen and broaden that good record.

Miss Julie Kirkbride (Bromsgrove) (Con): The Minister will have seen in the newspapers this morning that the UK has fallen down the world rankings in the league for the reading skills of 10-year-olds. Does she consider that to be a good thing for UK skills in computing or a bad thing for UK skills overall?

Angela Eagle: One-to-one support is being funded in the comprehensive spending review. I might ask the hon. Lady what her views are on ageism in the work force, given her comments earlier.

Chris Ruane (Vale of Clwyd) (Lab): My hon. Friend the Member for North Durham (Mr. Jones) praised apprenticeship schemes on Teesside. I want to praise apprenticeship schemes on Deeside. The Airbus factory in Broughton in north Wales has run 1,200 apprenticeships over the past 10 years, and dozens of those young apprentices are from my constituency. Those top-quality jobs have primed our local economy, which is one of the fastest growing in the country. What plans does my hon. Friend have to come and visit the Broughton factory and see the best practice in the UK?

Angela Eagle: I am more than happy to visit my hon. Friend's constituency to see the great work that is being done. The Government have funded a renaissance in apprenticeships. There are now 250,000, and there were only 87,000 when we came into power. We have further plans to create 500,000 by the end of the comprehensive spending review period. Those apprenticeships offer fantastic skills and opportunities, none of which was available during the era of mass unemployment when the Conservatives were last in power.

Public Sector Pensions

6. **Mr. Hugo Swire** (East Devon) (Con): What the liability is for the pensions of public sector employees; and if he will make a statement. [169068]

The Chief Secretary to the Treasury (Andy Burnham): The latest published estimate of the total liability for the UK's unfunded public service pension schemes is £530 billion as at 31 March 2005. As we stated in the pre-Budget report, updated estimates will be published alongside the next long-term public finances report.

Mr. Swire: Despite being repeatedly pressed by the Opposition, why has it taken the Government so long to address the anomaly whereby the discount rate applied to the public sector pensions liability calculation has not for years reflected the Government's cost of borrowing, which is what private sector companies are required to do?

Andy Burnham: The hon. Gentleman will know that those are complex calculations. The Government makes updated assessments of the discount rate. Indeed, we are applying new figures released from the Office for National Statistics in October and will come back soon with an updated assessment of the long-term liability. We will publish that in the context of the long-term report on the health of the public finances, which will be published in the new year.

Justine Greening (Putney) (Con): The Minister has just admitted that the last Government assessment of public sector pension liability is well over two and a half years old. I am sure that the hon. Member for Bolsover (Mr. Skinner) will be interested, because he no doubt represents a large part of that liability.

Actuaries Watson Wyatt estimate that the liability today could be as high as £960 billion. Perhaps the Minister can confirm whether the two-and-a-half to three-year cycle between forecasting public sector pension liability is a new approach to Government policy, or did Ministers not get round to doing it earlier merely because of incompetence?

Mr. Dennis Skinner (Bolsover) (Lab): I have voted more often than her and all the Tories put together.

Andy Burnham: I shall let my hon. Friend speak for himself.

The Conservative party has to be a bit careful with the figures. Let us be clear about what the estimates are. They are notional figures that relate to all future payments that will have to be made over eight decades. The hon. Lady's colleague, the shadow Chief Secretary, told the *Sunday Mirror* last week that that will mean that

"Every family in Britain will pay £33,000 to fund the pension promises he has made to public sector workers."

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Yes.

Andy Burnham: Yes, he says. That is an alarming and misleading statement to make to the families of this country. They will not have to find £33,000 to fund those commitments.

As for my hon. Friend the Member for Bolsover (Mr. Skinner), with age comes a certain maturity and wisdom that are sadly lacking among those on the Conservative Front Bench.

Miss Anne Begg (Aberdeen, South) (Lab): Is it not worth remembering that pensions are deferred salaries? The work that we get from our public sector, on low pay and working long hours, means that the liabilities of the public sector pension are value for money.

Andy Burnham: I endorse my hon. Friend's comments. We have been looking at public sector schemes, which—especially the teachers' scheme, the civil service scheme and the NHS scheme—have been subject to reform in recent years. Let us remember that those reforms, which we debated, were difficult, but, as my hon. Friend rightly says, they are sustainable as they go forward now, and give a fair return to those valuable public sector workers who provide services on which we all depend. The implication of the quote of the shadow Chief Secretary that I read out is that the Opposition would not fund those schemes in the way in which we propose. They need to explain to public sector workers exactly what they would do to those pension schemes.

Mr. Philip Dunne (Ludlow) (Con): The Chief Secretary has just referred to the public sector pension liabilities, which pay the pensions of millions of public sector workers who have retired over many years, as though they were some rough estimate that the Government can choose to publish when they like. They are already nearly a year behind their original schedule for publishing the figures. Surely he should take the matter far more seriously.

Andy Burnham: I take it extremely seriously. As I explained to the hon. Member for East Devon (Mr. Swire), it is a complex calculation and we will therefore take our time to get it right. It is a complex figure which should not be grossly simplified and misrepresented. The previous long-term public finance report, which was published last December—nearly but not quite a year ago—stated that public sector pension schemes were sustainable over 50 years. That is a fair judgment which we made and put into the public domain. When we have new figures, we will put them in the public domain so that a balanced judgment can made on them rather than the alarmist and misleading debate that the hon. Gentleman and his colleagues are trying to get going.

Schools (Funding)

8. **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): What recent assessment he has made of the economic impact of expenditure on schools. [169070]

The Chief Secretary to the Treasury (Andy Burnham): Per pupil expenditure in England has risen from under £2,500 in 1997 to £5,600 in 2007-08. That has supported a sustained increase in attainment. In 2007, 60.3 per cent. of pupils achieved five or more GCSEs at grade A to C—up from 45.1 per cent. in 1997.

Mr. Simon: Schools in my constituency have improved considerably under Labour, but official unemployment is still 10 per cent. and worklessness is nearly 50 per cent. after 10 years of a Labour Government. How will we convince kids to buy into staying on at school and in education up to the age of 18 when, in my constituency, on finishing education they still cannot get a job?

Andy Burnham: I recognise the issues to which my hon. Friend draws attention because my constituency has a similar profile to his. The figures that I read out do not show that the improvement in schools has been much more marked in areas such as those that he and I represent than it has been in the rest of the country. I believe that that will bring long-term benefits to the economies of Leigh and the part of Birmingham that he represents. Long-term unemployment is significantly down in the west midlands from around 36,000 to 11,000, but he is right: as the Prime Minister made clear this week, we need to do more to integrate the benefits system and the skills services on offer to get people back into work.

Mr. James Gray (North Wiltshire) (Con): Could the disconnect between results in the constituency of the hon. Member for Birmingham, Erdington (Mr. Simon) and the hundreds of millions of pounds spent on education in the past 15 or so years be accounted for by the university of Cambridge's primary review report, which was produced this month? It stated that the hundreds of millions of pounds have been spent on various educational policies, which were poorly researched, not tried out on the ground and largely a waste of money.

Andy Burnham: I hear that complaint from Conservative Members. *[Interruption.]* I have the greatest respect for my old university, but the figures that I read out tell an impressive story. Sixty kids out of every 100 leave

school with better skills as opposed to 45 kids out of every 100. That is 15 more kids in every 100, which is a significant improvement in 10 years. However, as I said to my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), the position is much better in constituencies such as mine, where the figure for schools whose pupils get five A to Cs at O-level was approximately 15 per cent. in 1997. That has increased to around 50 per cent. today. The investment has led to a big improvement. I would be surprised if the hon. Gentleman had not seen better school buildings and more teachers in his area.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): Can I tell the Minister about a great news story in my constituency, where new specialist engineering colleges such as Freebrough college are opening thanks to £5 million of Government support? Thanks to the Government's commitment to engineering, we will see many engineers in years to come. May I thank the Minister for the support that he has given to my constituency, particularly in rural parts, and ask him to ensure that investment keeps coming through?

Andy Burnham: I am happy to accept that and should like to repay the compliment to my hon. Friend for all the work that he has done to improve education on Teesside. He is absolutely right: because of the policies that the Government have taken forward, areas such as Teesside are benefiting from much closer integration between the business community and the education service. That is why the Opposition are taking on, lock, stock and barrel, the proposals that we have put forward to improve education in this country.

Credit Unions

9. **Paddy Tipping** (Sherwood) (Lab): When he last met representatives from the voluntary sector to discuss credit unions. [169071]

The Economic Secretary to the Treasury (Kitty Ussher): The Government regularly meet representatives from the voluntary sector. I most recently met credit unions when I visited Manchester about a month ago, where I was delighted to visit the offices of Manchester credit union and meet representatives of the Association of British Credit Unions Ltd.

Paddy Tipping: Just over a year since the Farepak fiasco, what further steps are being taken to help credit unions such as the Cashfields credit union based in Hucknall meet the needs of the more economically disadvantaged members of our society?

Kitty Ussher: I was delighted to hear of the formation of Cashfields in my hon. Friend's constituency. I understand that it is relatively new and I wish it every success. Following the collapse of Farepak, more that 100 credit unions throughout the country now offer Christmas savings accounts, which is to be welcomed. I shall shortly be publishing the results of the Government's financial inclusion action plan, which will include further measures to support the growth of credit unions.

Tax Credits

10. **Andrew Selous** (South-West Bedfordshire) (Con): What recent assessment he has made of the effectiveness of the administration of tax credits. [169072]

The Financial Secretary to the Treasury (Jane Kennedy): Accuracy in processing remains high, at around 97 per cent. As the House knows, tax credits provide crucial support to some 6 million hard-working families in Britain. Tax credits staff are working hard to improve the service to customers.

Andrew Selous: What action are the Government taking to amend the 35-year-old European regulations that require the payment of child tax credits to migrant workers whose children live abroad, about which the Government tell us nothing, but which should be fair to both migrant workers and host nations, such as the UK, Germany, France, Italy and Austria?

Jane Kennedy: As the hon. Gentleman said, those rules have been in place for a long time. The Government are in discussion with European partners about all such rules, as they affect all our citizens throughout Europe. He will know that changing rules of that nature requires agreement throughout the whole of Europe.

Personal Data

11. **Mr. John Randall** (Uxbridge) (Con): What recent assessment he has made of the implications of the loss by Her Majesty's Revenue and Customs of personal data. [169073]

The Financial Secretary to the Treasury (Jane Kennedy): I refer the hon. Gentleman to the reply that my right hon. Friend the Chancellor gave some moments ago.

Mr. Randall: We have heard a lot about what advice has been given to banks regarding the loss of personal details. Given the sort of information that has been lost by the Government, one thing that could be dangerous is its use to apply for credit cards. What action have the Government taken in that regard?

Jane Kennedy: We have been in consultation with organisations such as Experian to discuss what could be done to protect people from identity fraud and to prevent the use of that information by criminal elements. As things stand, both the police and the banks are advising us that there is no evidence of fraudulent use of the information, which we believe could still be found. That is why the police inquiry and the searches are ongoing.

Mr. Desmond Swayne (New Forest, West) (Con): The Minister will know that I have apologised to the Chancellor for yesterday. I do not hold Ministers accountable for the random actions of individuals, but Ministers do have to answer for the fact that individuals can access data, even after so many security reviews, without a relatively simple management system overlay to provide an audit trail and to ring alarm bells.

Jane Kennedy: I am grateful to the hon. Gentleman for the apology that he has offered for yesterday, although it was a very entertaining intervention. In response to his question, I would say that he is right. That is why we have invited Kieran Poynter to conduct a review. That will not take a long time; we need swift action on this in order to be satisfied that all the necessary protection and security is in place. My right hon. Friend and I look forward to receiving the interim report on 14 December.

Co-operatives

12. **Joan Walley** (Stoke-on-Trent, North) (Lab): What steps he is taking to support co-operatives. [169074]

The Economic Secretary to the Treasury (Kitty Ussher): The Government recognise the major contribution that co-operatives make in providing greater choice and diversity in financial services and the wider economy. We intend to update the legislation governing co-operatives to enable them to compete with other companies and to serve their local communities more effectively. We consulted on legislative reform in the summer, and I am pleased to say that we received more than 200 responses. We will publish further consultations later this month.

Joan Walley: I greatly welcome the work that the Government and my hon. Friend are doing on reviewing the industrial and provident society legislation. I agree that co-operatives play a huge role across the country. In advance of introducing any primary legislation, will she review whether steps could be taken immediately under regulatory reform legislation to increase the £20,000 limit on withdrawable share capital? Will she also consider relaxing the requirement on interim accounts that exists for co-ops in the same way that it does for companies?

Kitty Ussher: I am grateful for my hon. Friend's suggestions. When we publish our ideas on these matters before the end of the year, we will look at absolutely everything with a view to making legislative and non-legislative changes. I will certainly take on board the points that she has made. In response to her wider point, I agree that co-ops play an extremely important part in the dynamism of our economy. I want to remove all barriers that prevent them from competing on a level playing field and from growing.

Topical Questions

T1. [169053] **Jo Swinson** (East Dunbartonshire) (LD): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): The Treasury's aim is to raise the rate of sustainable growth and to achieve rising prosperity and a better quality of life with economic and employment opportunities for everyone.

Jo Swinson: As the Chancellor has just said, the Treasury's aim is to raise the rate of sustainable growth and to improve quality of life, but, given that Britain is three times richer but no happier than it was 50 years ago, does he think that it is time to look beyond the crude measure of gross domestic product and to monitor other indicators of well-being?

Mr. Darling: I am willing to consider a Liberal Democrat happiness index, although I am not sure how happy the hon. Lady can be at the moment, given that most of her colleagues appear to be out on the campaign trail. Over the past 10 years, we have seen our economy grow in every quarter. We have had 10 years of uninterrupted growth, which has resulted in fewer people being out of work, more people being in work and historically low interest and mortgage rates. That has led to our country's growing prosperity. Our job is to ensure that that prosperity continues and, above all, to ensure that everyone has the opportunity to participate in it.

T2. [169055] **Ian Lucas** (Wrexham) (Lab): Unemployment in Wrexham has fallen by more than 36 per cent. in the past 10 years, and by 3.5 per cent. in the past year. How much money has the Exchequer saved by not pursuing the Tory policy of paying the cost of wasted lives?

The Chancellor of the Exchequer (Mr. Alistair Darling): My hon. Friend is quite right. We are spending about £5 billion less on unemployment benefits than we were 10 years ago. One of the advantages of having a strong economy with more people in work is that money is not wasted on unemployment benefits, as it was as a result of the high levels of unemployment that we saw 10 or 15 years ago. Also, we are paying less in debt interest because the level of borrowing and debt that the Conservatives ran up meant that that was the first call on a lot of the extra money that was spent.

T3. [169056] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Notwithstanding the so-called credit crunch, high street banks with commission-hungry staff are still aggressively selling credit to the hard-up and the desperate, with the resulting unrepayable debt too often chased by bullying or unprincipled collectors. What action is planned to strengthen and enforce the voluntary banking code and the Office of Fair Trading's debt collection guidelines, both of which seem to be routinely flouted by a section of the financial services industry that is still rather too lightly regulated?

The Economic Secretary to the Treasury (Kitty Ussher): I share my hon. Friend's concerns about aggressive credit selling. That is one of the reasons why we are supporting the growth of the credit union sector, which can provide affordable credit to those who need it. An independent review of the voluntary banking code has recently been completed, and the banks published the review's recommendations and their response last week, on 22 November. That confirmed that the banks will strengthen and enhance the code in key areas, including the provision of more support for people in financial difficulty and the introduction of enhancements to responsible lending practices, involving the rigorous assessment of borrowers before loans are made, which I hope will help. In addition, the Government have made extensive changes to consumer credit legislation to strengthen consumer protection.

Mr. George Osborne (Tatton) (Con): May I ask the Chancellor a question about what the Governor of the Bank of England has just told the Treasury Select Committee? He said that "the short-term outlook" for

the economy is "uncomfortable" and "highly uncertain" with slowing growth and rising inflation. Is that assessment shared by the Chancellor and what impact does he think it will have on public borrowing this year?

The Chancellor of the Exchequer (Mr. Alistair Darling): The hon. Gentleman is right that the Governor spoke to the Treasury Committee this morning and said that there is continuing uncertainty in the financial markets—something that I have said on a number of occasions over the past few weeks. We do not yet know the full extent of that uncertainty, particularly in the United States, which is important because of the size of the US Government.

The Governor said today that he expects the economy to slow down, which is exactly what I said in the pre-Budget report when I revised downwards our growth expectations. The Governor also said today that inflation has come down since the peak in March this year, but the Monetary Policy Committee will keep that under review.

Mr. Osborne: Perhaps the Chancellor could answer my question on borrowing when he gets up again. Will he also deal with the point that the Governor has announced an emergency five-week facility over the year-end because of what he calls

"the fragility in the banking system"?

Clearly, the tripartite arrangements set up by the Government did not work as expected in September, which the Government have explicitly acknowledged in setting up a review of those arrangements. What assurances can the Chancellor give the House now as we approach this difficult year-end period that measures are in place to ensure that the tripartite arrangements will work much better if there is a problem in a particular bank? Will we know who is in charge in a liquidity crisis?

Mr. Darling: I appreciate that the hon. Gentleman asked about borrowing. I set out my forecasts in the pre-Budget report and I will keep the House updated. For the past 10 years borrowing generally has been very substantially lower than we have seen in the past.

I said in reply to an earlier question that the Governor has announced additional facilities to be put into the system, which is the right thing to do, especially having regard to the present uncertainty. The House will know that a number of banks are due to report, although the Governor made the point in his remarks this morning that what banks have been able to report has reassured the markets in respect of individual institutions. I assure the House that the Bank of England, the Financial Services Authority and the Treasury are keeping these things under constant review and that we will take whatever action is appropriate. Today's announcement by the Bank of England, putting money into the system, will be welcomed. It is entirely the right thing to do. Indeed, the US Fed and the European Central Bank have taken similar action over the past few days.

T4. [169057] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): My right hon. Friend will be aware of the success of renewable obligation certificates in ensuring investment in onshore wind farms. Has he given consideration to what further can be done so that our fiscal regime ensures the speedy development of other forms of renewables?

The Exchequer Secretary to the Treasury (Angela Eagle): The Government are committed to meeting their share of the EU renewables target and the energy White Paper set out a range of measures that we are taking forward, which will triple the amount of renewable energy in the UK. That includes—in direct response to my hon. Friend's question—a planning reform Bill that will speed up issues, allowing both offshore and onshore wind farms to be brought to bear and to generate electricity in that renewable form much more quickly than would have been the case before the reforms.

T5. [169058] **Mr. Peter Bone** (Wellingborough) (Con): May I ask the Chancellor when he first considered resigning?

The Chancellor of the Exchequer (Mr. Alistair Darling): Of all the problems that we face at the moment, I would have thought that the hon. Gentleman could have come up with a better question than that.

T6. [169059] **Mr. Andy Reed** (Loughborough) (Lab/Co-op): As my right hon. Friend probably knows, over the last few years I have been pressing for action on sports taxation issues in particular. I remind her that I have written about the need for work to be done to ensure that in this sporting nation—in the build-up to 2012, and following the disaster of England's recent football performance—joined-up thinking must include examination of the way in which we deal with tax and sport, and the contribution of sport to the economy. Will my right hon. Friend agree to meet me as soon as possible to discuss some of the smaller issues, on which we could make progress fairly quickly, and also some of the bigger issues, such as corporation tax and VAT, which might require more long-term work?

Mr. Speaker: Order. Topical questions must be quick.

The Financial Secretary to the Treasury (Jane Kennedy): Of course I should be happy to meet my hon. Friend to discuss the wide range of tax issues that he wishes to raise, involving the way in which we support athletes and sports organisations in the United Kingdom. He will know, however, that in partnership with the lottery the Government have already committed themselves to significant funding for our elite athletes in particular in the run-up to the Olympic games, as well as support to encourage sportsmen and women to put something back into grass-roots sport and inspire young people.

T7. [169060] **Ben Chapman** (Wirral, South) (Lab): Is an early solution envisaged to the inequitable problem of the damping mechanism in local government financing, which has a very bad effect on councils such as Wirral?

The Chief Secretary to the Treasury (Andy Burnham): As I said earlier, the Secretary of State for Communities and Local Government will make a statement on the provisional local government settlement for the next three years very shortly, and my hon. Friend will have an opportunity to comment further then. However, I am sure that the Secretary of State and her colleagues

have noted his points about damping. The challenge is to ensure that there is enough stability in the local government system, while at the same time making progress towards equity and conveying funds where the needs are greatest. That is the balance that must be struck.

Miss Anne McIntosh (Vale of York) (Con): In the comprehensive spending review, will the Chancellor ensure that there is a balance between money given to schools in rural areas and money given to schools in urban areas? Is he not disappointed that after 10 years, and despite all the money that the Government have invested in reading in schools, the school reading age figures are the worst ever?

The Chancellor of the Exchequer (Mr. Alistair Darling): Standards have improved, partly because—as was pointed out a few moments ago by my right hon. Friend the Chief Secretary—we have been increasing spending in schools. As for the balance of spending in rural and urban schools, it will be taken into account by my right hon. Friend the Secretary of State for Children, Schools and Families. However, the hon. Lady must face the fact that if we are to improve skills, particularly reading skills, we must be prepared to put the necessary money into schools as well as reforming them. So far, the Conservatives show little appreciation of that.

T8. [169062] **Barbara Keeley** (Worsley) (Lab): Apprenticeships are very important in my constituency and it is great news that the number has trebled over the past 10 years, but can my right hon. Friend assure me that we will have the resources to double the current number so that my constituents' families can develop world-class skills?

The Exchequer Secretary to the Treasury (Angela Eagle): I can give my hon. Friend that assurance. There is a target of 400,000 apprenticeships in England; we have 250,000 today, and my hon. Friend's constituency is getting its fair share. I also note that over the past 10 years of economic success enjoyed under this Government there has been a welcome increase in the number of people there who are economically active there, from 37,000 to 46,900.

Mr. John Randall (Uxbridge) (Con): Can the Chancellor put the record straight? Last week, during business questions, the Leader of the House said of the measures the Chancellor was taking in relation to Northern Rock:

"we are concerned to ensure that no Northern Rock shareholder, employee or saver loses out."—[*Official Report*, 22 November 2007; Vol. 467, c. 1347.]

Is that actually the policy?

The Chancellor of the Exchequer (Mr. Alistair Darling): I set out our approach to Northern Rock in my statement on 19 November. I said then that the Government's priorities were first to ensure that the money lent by the Bank of England was returned, secondly to ensure that we protected the interests of depositors, and thirdly to ensure the wider stability of the financial system. Those are and remain the Government's objectives, and I think everyone is aware of that.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Is my hon. Friend aware that according to a recent report commissioned by the Union of Construction, Allied Trades and Technicians, bogus self-employment in the construction industry is losing the Exchequer £2.5 billion? Will he take measures to deal with that?

Angela Eagle: The recent estimates that we have made of the money lost to the Exchequer from bogus self-employment in the construction industry is closer to £360 million, but I assure my hon. Friend that I am looking into what we can do on that difficult and complex area of construction.

Mr. John Redwood (Wokingham) (Con): For each pound that the public sector has lent to Northern Rock, how much specific security has the Bank of England taken for the taxpayer?

Mr. Darling: As I have said on many occasions, all the lending made by the Bank of England is secured against Northern Rock's assets. That remains the case and, as I said a few moments ago in reply to the hon. Member for Uxbridge (Mr. Randall), one of my three central objectives in relation to getting a solution is to make sure that the money is repaid.

Anne Snelgrove (South Swindon) (Lab): My right hon. Friend will be aware of the notorious NatWest Three's decision yesterday to plead guilty to conspiring with Enron staff to defraud NatWest of $19 million. Does he agree that that vindicates the changes that the Government made to our extradition rules with the US, and that Opposition claims that—

Mr. Speaker: Order. I do not want long supplementaries during topical questions.

Mr. Darling: Like many Members, I heard that news this morning on the radio, but I do not have the details so I cannot comment on them. I believe, however, that our country has the right extradition arrangements, and that we will always act in the best public interest.

Business of the House

11.31 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 3 December will be as follows:

MONDAY 3 DECEMBER—Remaining stages of the Child Maintenance and Other Payments Bill.

TUESDAY 4 DECEMBER—It is expected that there will be an oral statement on the publication of the board of inquiry report into the Nimrod crash, followed by Opposition day [3rd allotted day]. There will be a debate entitled "Politicisation of the Civil Service", followed by a debate on the performance of the Department for Environment, Food and Rural Affairs.

WEDNESDAY 5 DECEMBER—It is expected that there will be an oral statement on the annual benefit uprating, followed by Estimates [1st allotted day]. There will be a debate on standards of conduct in public life, followed by a debate on benefits simplification. Details will be given in the *Official Report*. At 7 pm, the House will be asked to agree all outstanding estimates.

THURSDAY 6 DECEMBER—It is expected that there will be an oral statement on annual uprating of local authority allocations, followed by a topical debate: subject to be announced, followed by proceedings on the Consolidated Fund Bill, followed by a general debate on fisheries.

FRIDAY 7 DECEMBER—The House will not be sitting.

The provisional business for the week commencing 10 December will include:

MONDAY 10 DECEMBER—Second Reading of the Planning Bill.

[Wednesday 5 December:

** Public Administration Committee, "Ethics and Standards: The Regulation of Conduct in Public Life"—Fourth Report of Session 2006-07, HC 121-I*

Work and Pensions Committee, "Benefits Simplification" —Seventh Report of Session 2006-07, HC 436-I.]

Mrs. May: I thank the right hon. and learned Lady for coming to the House and giving us the future business. I am only sorry that she refused my request that she come to the House earlier this week to make a statement on the sleaze scandal that engulfs her. This afternoon's topical debate, chosen by the right hon. and learned Lady, is on the prospects for apprenticeships in England. Why are we not debating genuinely topical issues, such as party funding sleaze? *[Interruption.]* The right hon. and learned Lady—*[Interruption.]*

Mr. Speaker: Order. The right hon. Lady is still in order, but I caution her that she must stay in order and remember that we are talking about the business of next week.

Mrs. May: Thank you, Mr. Speaker. I shall refer to a number of items of business for next week. On the issue I have just referred to, I say to the right hon. and learned Lady that she might be Labour party chairman, but she is also Leader of this House, and her first duty must be to Parliament and not to her party. May we have a statement on the political party funding Bill? During Labour's deputy leadership campaign, the Secretary of State for Environment, Food and Rural Affairs declined a dodgy donation from Janet Kidd, after being warned by Baroness Jay that the donation was in fact from David Abrahams. At the same time, we now know—

Mr. Speaker: Order. That is nothing to do with the business for next week. [HON. MEMBERS: "It is."] Order. Let me be the referee. I say that it is nothing to do with the business of next week, and I tell the right hon. Lady that she must move on from this subject. She has made her point. It is possible to overdo it, and she should move on—*[Interruption.]* Order. It does not help when others shout across the Chamber. I am trying to be the referee. Let us move on.

Mrs. May: This morning, the Home Secretary said that the Government are considering changes to legislation as a result of the issues arising from the party funding debacle in the Labour party. If the Home Secretary was prepared to make that statement to the media, she should have been prepared to come to this House and answer our questions.

May we have a debate in Government time on the Government's internal communications? We have had several issues over the past week in which it was clear that a Member of the House of Lords, Baroness Jay, who sits on the Government Benches, revealed certain information about party funding to the Secretary of State for Environment, Food and Rural Affairs and to others. We now have working in the Leader of the House's office someone who used to administer the 1000 club of donors to the Labour party. However, the Leader of the House says that none of those people ever asked her—

Mr. Speaker: Order. The right hon. Lady may ask about communications, but let us not get into the detail of this matter. There will be other opportunities—*[Interruption.]* Order. We are talking about business questions. The right hon. Lady is experienced enough to know that she should ask for something to be debated and then move on. She should not go into the detail of this particular matter, because that is for another time.

Mrs. May: Thank you for your advice, Mr. Speaker. I try to be as helpful to the House as possible in giving explanations as to why debates on certain matters might be necessary. These matters do drive at the heart of Government—

Mr. Graham Stuart (Beverley and Holderness) (Con): That's why we're here.

Mr. Speaker: Order. Do not shout at me, Mr. Stuart. As I have told the House before, I am guided by the rules that the House has given me, and those rules tell me that this is business questions. So do not tell me how to do my job. You would not know where to start.

Mrs. May: Thank you, Mr. Speaker. There are already questions about a planning application in Durham, and the Secretary of State for Communities and Local

[Mrs. May]

Government has said that she has initiated a review of the issue of planning applications by third-party intermediaries. When will she make a statement to the House about the outcome of that review?

May we have a debate in Government time on the proper functioning of the ministerial code so that the Leader of the House can explain why, in the middle of September, she declared a donation to her deputy leadership campaign to the permanent secretary at the Department for Constitutional Affairs? With new questions emerging today about the role of Jon Mendelsohn, such a debate—*[Interruption.]*

Mr. Speaker: Order. The right hon. Lady is in order, and hon. Members should be quiet.

Mrs. May: Thank you, Mr. Speaker.

Such a debate would enable the Leader of the House to say whether her campaign team was approached by Mr. Mendelsohn about whether they wanted to be put in touch with secret donors. There are several questions to be answered and the Leader of the House must make a full statement.

The Leader of the House, the Prime Minister and the Labour party treasurer are like the three wise monkeys. They see no evil, hear no evil and speak no evil. Quite simply, it won't wash. The public know sleaze when they see it. The people know spin when they hear it, and the voters will know what to do when they have their say: they will get rid of this sleazy Labour Government.

Ms Harman: The right hon. Lady's questions give me the opportunity to tell the House what I have already said publicly. In respect of my deputy leadership campaign and donations to it, my campaign team and I acted at all times in good faith. We acted at all times within both the letter and the spirit of the law. We had three very clear rules: we would accept donations only from people we knew personally, whom members of the campaign team knew personally or who were existing donors. We checked every donor to ensure that they were on the electoral register as a permissible donor. When we discovered there was a problem—

Mr. Speaker: Order. I remind the Leader of the House that I told the shadow Leader of the House that at times she was going beyond the business of the House. The right hon. and learned Lady is now going beyond the business of the House. She does not need to say those things—she is not discussing the business of the House.

Ms Harman: Mr. Speaker, I am explaining why I am not seeking to give a statement to the House on the deputy leadership campaign finances, because at all times—

Mr. Speaker: Order. The right hon. and learned Lady should not go into the detail of the matter because it is not the business for next week. She has said that she acted in good faith; she should now move on.

Ms Harman: Thank you, Mr. Deputy Speaker—[Hon. Members: "Mr. Speaker!"]—Mr. Speaker.

The right hon. Member for Maidenhead (Mrs. May) can huff and puff but she will not blow this Leader of the House down—*[Interruption.]* I will deal with the business of the House.

The right hon. Lady asked about topical debates. The proposal came from the Modernisation Committee. The Government responded and we brought a Standing Order before the House to change the rules. The first topical debate, which was very well attended, was on immigration and was suggested by the right hon. Lady. The second topical debate was on climate change—a matter we all regard as important and topical. Today, we have a topical debate on apprenticeships. The right hon. Lady is perfectly entitled to propose subjects for topical debates, which we announce on Mondays, and I welcome her and other Members doing so. If they make proposals, I will consider them.

The right hon. Lady talked about the comments of the Home Secretary this morning, when my right hon. Friend was asked about party funding. The shadow Leader of the House and Members know that in the Queen's Speech we announced our intention to legislate on party funding. The Liberal Democrats were prepared to co-operate in all-party talks, but unfortunately we have not been able to bring our conclusions to the House because the Conservatives walked away from the talks.

The right hon. Lady asked when the Secretary of State for Communities and Local Government will come to the House to report on her review. My right hon. Friend will do so when the review is concluded.

Mr. Chris Mullin (Sunderland, South) (Lab): May we have a debate on the increases in military spending that have been authorised under the Government to assist our troops in Iraq and Afghanistan, and to discuss the remarkable fact that last Tuesday General Sir Richard Dannatt and Colonel Richard Westley came to the House to brief 50 Members of both Houses on what they called the significant increases that had taken place, yet last Friday a group of superannuated military top brass, in a comfortable billet in the other place, opened a huge bombardment on the Government for doing the opposite?

Ms Harman: There are Defence questions next Monday and no doubt my hon. Friend will have an opportunity to catch the Speaker's eye to raise that point, especially as there are topical as well as pre-planned oral questions. As he raises an important point about defence spending, may I point out that the UK spends more on defence than any country in the world except the United States? The Conservatives were cutting defence spending. When we came in we increased it. Were the Defence Secretary to be making a statement on that point, I think he would be saying that while we have increased defence spending, the Tories were cutting it, and although they now say they want it increased they will not say by how much or as what percentage of GDP. They will not say where the money will come from and they will not say what would have to be cut to pay for it.

Simon Hughes (North Southwark and Bermondsey) (LD): In recent days, we have had the opportunity to debate why the Government have put at risk millions of

pounds of taxpayers' money as a result of the first run on a bank in 100 years. We have also had a chance, today and previously, to debate why the Government have put millions of benefit recipients at risk of having their personal data lost through the incompetence of Revenue and Customs. However, given that events of recent days show that the interpretation of the law has put the Leader of the House's own party at risk of being investigated yet again by the police—because of hundreds of thousands of pounds of dodgy donations—will she accept that, whatever her personal view, the topical debate for next week should be the funding of political parties and the restoration of public confidence? That is what the public want us to debate. Her party and ours—and I hope the Tories, as well—should debate that on the Floor of the House next week.

Secondly, although we have had a written statement, may we have an early opportunity to debate the Commonwealth conference and its outcomes? Many people in the House think that the Commonwealth is very important. There was not a prime ministerial statement—in our view, there should have been—but we could at least take the opportunity to hold an early debate on the talks in Uganda and their implications. Linked to that, it is World AIDS day this Saturday. AIDS and HIV are hugely important issues, not just in this country but across the world. Is the Leader of the House willing to take the initiative of holding a regular debate at about this time of year on what we can do both at home and abroad to reduce the incidence of AIDS and HIV, and the suffering of those who have contracted those infections?

Lastly, may we have an early debate on human rights abroad, particularly in countries such as Saudi Arabia, where we now learn that a woman who has been gang-raped is likely to be imprisoned and subject to the lash by a Government we entertained only the other day with a state visit to this country? That is not acceptable by any definition. This country needs the opportunity to debate the matter, when other countries that are meant to be our allies clearly do not understand what human rights really are.

Ms Harman: The hon. Gentleman raised the question of Northern Rock. He knows that the Chancellor has made many statements on Northern Rock and has kept the House fully informed. He was answering questions at the Dispatch Box only a few moments ago. He will have emphasised, and I will re-emphasise, that our first consideration is the financial security of the banking system and its importance for this country. We must also have at the forefront of our mind the question of the financial security of those who have deposited savings in Northern Rock, and we must remember the many thousands of people who work for Northern Rock, which is an important institution. The hon. Gentleman can raise his concerns, but we have the right priorities at the front of our mind and we are keeping the House informed at all times, as we are in relation to the Revenue and Customs issue that he raised.

The hon. Gentleman raised a question about the interpretation of the law. It has been made clear to the House that, as the Prime Minister said yesterday, there was a wrong registration, for which the general secretary of the Labour party has taken responsibility. He has resigned and we have established our own Labour party inquiry. I repeat to the hon. Gentleman that, as I said to the right hon. Member for Maidenhead, I have acted in good faith and within the letter and spirit of the law at all times. However, I will take what he says as a representation for a topical debate next week.

The hon. Gentleman raised the serious question of floggings and whippings in Saudi Arabia. We are very clear in this country that we stand shoulder to shoulder with the international community in believing that floggings and whippings are in breach of human rights. They are a violation of human rights and we deplore them wherever they happen in the world.

The hon. Gentleman raised the important question of World AIDS day. Given the importance of international development and of tackling poor health and poverty throughout the world, the House, in addition to International Development questions, has regular debates on international development in not only this Chamber, but Westminster Hall. We will continue to do so.

Mr. David Clelland (Tyne Bridge) (Lab): In any discussions that we have on rules and regulations surrounding planning applications, may we take account of the terms of early-day motion 313, which I tabled on 19 November and has been signed by many hon. Members, including the hon. Member for Hexham (Mr. Atkinson)?

[That this House congratulates the North East Chamber of Commerce, The Journal newspaper, local politicians and all involved in the successful Go for Jobs campaign; thanks those transport Ministers who listened to the campaign and acted to bring about an end to restrictions on economic growth in the region caused by Article 14 Orders; and calls upon the Government to recognise that the excellent economic progress in the North East over the past 10 years will only be sustained and improved with a clear and comprehensive plan for the improvement of the region's major road and transport infrastructure.]

The early-day motion draws attention to the fact that a large part of the responsibility for convincing the Highways Agency to lift article 14 orders in the north-east, including in Durham, lies with *The Journal* newspaper and the North East chamber of commerce.

Ms Harman: I will draw my hon. Friend's comments to the attention of my right hon. Friend the Secretary of State for Communities and Local Government.

Sir Patrick Cormack (South Staffordshire) (Con): When it comes to selecting the topical debate for next week and subsequent weeks, will the right hon. and learned Lady consider either delegating that choice to Mr. Speaker, or making the choice by ballot, because it really is not appropriate that she herself should decide what is topical and what is not?

Ms Harman: What is appropriate is for me, as Leader of the House, to do what the House has asked me to do under its Standing Orders. That is what I will do. The House will be aware that the Modernisation Committee, in its report "Revitalising the Chamber", proposed topical debates and suggested that they should be

"announced by the Leader of the House".

[Ms Harman]

The Government responded to the report by saying that they would be

"announced by the Leader of the House following discussions".

We are only—*[Interruption.]* Bear with me on this. This is the third week in which we have had a topical debate. We are genuinely concerned to make the debate in this House what Back Benchers want to debate and for it to be topical. This is only the third week, and we will review the system early in the new year. The House agreed, through the passing of its Standing Order, to the decision being made by the Leader of the House. The very first debate that I selected was on immigration, which was a subject chosen by not my ministerial colleagues, but the right hon. Member for Maidenhead, so I have been fair at all times. We will have to review the situation as it goes forward. I hope to be able to show that the House can be confident in the way in which I choose topical debates. However, if the House wants any amendments to the Standing Order, Members will have to propose them and we will have to reconsider the matter.

Julie Morgan (Cardiff, North) (Lab): May we have an early debate on the way in which different agencies work together to tackle crime? The 101 service, which is based in Pontprennau in my constituency of Cardiff, North, is losing its grant from the Home Office next spring. The service has been an excellent example of the local authority, the police and other agencies working together. May we have a debate to discuss how such initiatives can continue?

Ms Harman: I congratulate the 101 service on its important work. I will draw the matter to the attention of my right hon. Friend the Home Secretary.

Mr. Christopher Chope (Christchurch) (Con): Can the Leader of the House explain why she chose today's topical debate, given that no one made representations for that subject? Will she ensure that next week's topical debate deals with the loss of public confidence arising from what is happening in government at the moment, and the loss of confidence in parliamentary democracy as a result of what is going on in the Labour party, in particular?

Ms Harman: What is going on in government at the moment is that the Government are getting on with running the country—*[Interruption.]* If the hon. Gentleman wants to suggest that we change the process by which we choose topical debates, or to make a proposal on what he considers to be topical, I suggest that he does so.

Mr. John Spellar (Warley) (Lab): Will the Leader of the House find time for a debate next week in which the acting leader of the Lib Dems and the two candidates for the Lib Dem leadership can tell the House and the country when they are going to pay back the dodgy 2 million quid that they got from Michael Brown?

Ms Harman: I thank my right hon. Friend for his point. We appreciate the fact that the Liberal Democrats have been prepared to engage in party talks about how we agree a consensus on the legislation for party funding reform that we proposed in our Queen's Speech.

Sir Nicholas Winterton (Macclesfield) (Con): I seek to work closely and constructively with the right hon. and learned Lady in her capacity as Leader of the House. Will she give further consideration to the request from Conservative Members that the way in which topical debates are chosen be more transparent and democratic? If it is necessary for the Modernisation Committee to consider amendments to the current Standing Order, will she be willing to have such a discussion in the Modernisation Committee so that the Standing Order can be changed to ensure that the topical debate is just that—current and topical?

Ms Harman: I thank the hon. Gentleman for that point. I understand the House's concern and that it wants to get the process right to ensure that topical debates serve the purpose for which they were intended. However, the proposal was brought to the House only a few weeks ago. The House made a decision and I am carrying out my duties under the Standing Order. If hon. Members want to reconsider the situation and think that the Standing Order should be drawn differently and the process should be different, they can make a proposal. No one made such a proposal in the debate in which we considered the Standing Order, but if hon. Members want to reflect on the matter, they can bring a proposal forward. My only interest is ensuring that the House gets what it wants: topical debates.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. and learned Friend will be well aware of the case of Mrs. Gibbons, who is about to appear in court in Khartoum. This is a dreadful case and I hope that the Foreign Office is doing everything possible to get her early release. However, will my right hon. and learned Friend also reflect on the fact that it is absolutely vital that we go ahead with peace talks regarding the situation in Darfur? We must recognise that there are no representatives from the Sudan People's Liberation Movement on the Government of national unity. These are difficult times in Sudan, so will the Government ensure that they continue to play a real part in trying to bring peace to that bedevilled land?

Ms Harman: I pay tribute my hon. Friend's role in the all-party group on Sudan. Let me first respond to his point on Gillian Gibbons. I can tell the House that the Foreign Secretary will be seeing the Sudanese ambassador this afternoon. The Government—and everyone, I am sure—want her free and back home, where she belongs, as soon as possible.

My hon. Friend mentioned the need for peace in Darfur. The Foreign Office wants to work with all the international community to ensure that we have peace in that terrible conflict situation.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Once we have had our proper topical debate on party funding, can some time be made available for a short debate on the operation of the Maritime and Coastguard Agency? The Leader of the House will be aware that agency staff have been in dispute with the management over pay since the earlier part of this year. The chief executive has now announced a major reorganisation aimed at cutting costs. There is real concern in the shipping industry that the agency will

try to walk away from some of its responsibilities, such as ship inspection and seafarer certification. These are matters of concern to not only island and coastal communities, but the shipping industry, which earns something in the region of £322 a second for the UK. Surely that is something to which we can give some time.

Ms Harman: I shall take that as a representation for a topical debate next week. I also remind the hon. Gentleman that there is a debate on fisheries on Thursday. I know that that is not entirely on the point that he mentioned, but some of the issues that he is concerned about could be raised in that debate.

Mr. Anthony Wright (Great Yarmouth) (Lab): My right hon. and learned Friend will be aware that in a previous Session, the Gambling Act 2005 went through the House, and part of that Act concerned the creation of 16 new casinos, large and small. My constituency was to have one of the large ones, but unfortunately that plan was scuppered in the other place by the Opposition. It would have meant significant regeneration for parts of Great Yarmouth and the 15 other areas. Will my right hon. and learned Friend tell us when the proposal will come back before the House, so that we can get on with the fantastic job that has been done over the past 10 years to regenerate one of the most deprived areas of the country?

Ms Harman: I pay tribute to my hon. Friend's work in support of the regeneration of the seaside town of Great Yarmouth. I will bring his comments to the attention of my right hon. Friend the Secretary of State for Culture, Media and Sport.

Mr. Michael Jack (Fylde) (Con): I wonder whether the Leader of the House will provide an early statement on the role of the permanent secretary as the recipient of information. I understand that the right hon. and learned Lady told the Justice permanent secretary of a donation that she had received. It is not clear to me what permanent secretaries should do with such information, particularly when it is about party funding issues, and not general matters for Government.

Ms Harman: The position on registration is as follows. There is a requirement to register donations above a certain limit with the Electoral Commission. Under the ministerial code, Ministers have to register any donations with the Cabinet Office. There is also the requirement to register in the Register of Members' Interests. I registered all donations fully in accordance with all those three authorities. The right hon. Gentleman raised the issue of the permanent secretary in the Department for Constitutional Affairs, as did the right hon. Member for Maidenhead (Mrs. May)—I am sorry that I did not get a chance to reply to her point earlier. It is custom and practice for a Minister to make declarations to the permanent secretary in the Department in which they are—*[Interruption]*—or were. That was the Department in which I was at the time. In addition, I made full declarations in the Register of Members' Interests, and to the Electoral Commission and the Cabinet Office. During the course of the campaign I had been at the Department for Constitutional Affairs, so I provided the full information to the permanent secretary.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): This Christmas in my constituency, the Ryhope allotment holders and pigeon men face eviction from their site by a mysterious company called Worktalent Ltd. The site contains the world's only listed pigeon cree, or loft, as others may know it. It provides local families and children with education opportunities. Will my right hon. and learned Friend consider making time available to debate early-day motion 239, which is supported by Members on both sides of the House, so that the House can consider supporting the Ryhope pigeon men and getting the facilities back into the ownership of the community, where they belong?

[That this House supports the campaign by the Ryhope Allotment Holders to maintain and protect their environment which includes the world's only listed pigeon cree; calls upon the owners of Worktalent Ltd to withdraw their notice to terminate the lease; and believes that these historic allotments should be held in trust by the community and provide facilities for local children to enjoy and understand horticulture and the care of pigeons.]

Ms Harman: The Government have a clear strong position on pigeon-fancying: we are wholly in favour of it. As Leader of the House, may I take the opportunity to congratulate and support the work of the Ryhope pigeon-fanciers?

Mr. Roger Gale (North Thanet) (Con): I want to raise a point relating to the business of the House on the Order Paper. You know, Mr. Speaker, that yesterday, in answer to a question that I put, the Prime Minister said:

> "There is not an iota of evidence to suggest that at any time until Saturday the Leader of the House knew that the donation was being given by a third party."—[*Official Report*, 28 November 2007; Vol. 468, c. 281.]

That question related specifically to donations made not to the right hon. and learned Lady but to the Government party. There is a topical debate today. The right hon. and learned Lady told the Modernisation Committee yesterday that there was no request whatever from anyone in the House that we discuss the question of apprenticeships. As the right hon. Lady is now at the Dispatch Box, will she take the decision to dump today's business and remain at the Dispatch Box, and let us test the veracity of what the Prime Minister said?

Ms Harman: I am sorry that the hon. Gentleman is so contemptuous of the important issue of apprenticeships. There are something like 600,000 vacancies in the economy, and if any person in the country cannot be employed, it is largely because they lack the skills that would enable them to fill those vacancies. I absolutely do not accept his argument that it is not topical and important to discuss apprenticeship, the manufacturing industry and apprenticeship in the House this afternoon. If he wants to make proposals on how we change the system of choosing topical debates, let him make them.

Nigel Griffiths (Edinburgh, South) (Lab): May we have an early debate on the future of zoos, particularly Edinburgh zoo, which is threatened by the Liberal Democrat council's disgraceful decision to prevent the zoo from selling some land for development purposes—a decision that puts its future in jeopardy?

Ms Harman: Edinburgh zoo is world-famous, and zoos are not only an important family day out, but important educational facilities. I know that my hon. Friend's view is that it is typical of the Lib Dem council to be so out of touch with voters that it does not realise that.

Mr. Stephen O'Brien (Eddisbury) (Con): In this place, we are all honourable Members, and the Leader of the House, above all, is meant to epitomise that. For the purposes of the business of the House next week, will she tell us her definition of the word "honour"?

Ms Harman *rose—*

Mr. Speaker: Order. I call Michael Connarty.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Has my right hon. and learned Friend seen early-day motion 426, which I was asked to table by the European Scrutiny Committee, and which members of the Committee and I have signed? It asks for a specific debate on the European reform treaty before it is signed.

[That this House notes the recommendations from the European Scrutiny Committee of the House for a debate on the EU Reform Treaty before it is ratified; and calls for that debate to be arranged by the Government to allow the House to focus specifically on the Treaty.]

Our Prime Minister will sign the treaty on 19 December, but we have not had a debate in the House on a substantive motion relating to the reform treaty. I urge my right hon. and learned Friend to realise that it is possible for the Government to lance the boil of the accusation that we are somehow signing the treaty in secret.

Ms Harman: I do not think that there is anything secret about what the Government are doing on the European reform treaty. There was a report after the summit that agreed the treaty. There will be many days—days aplenty—of debate on the Floor of the House when we debate the EU reform treaty Bill referred to in the Queen's Speech. My hon. Friend will know that under the guidance of the Deputy Leader of the House of Commons, a review was held of how the House will undertake European scrutiny, to ensure that the good work that he does with his Committee can be improved.

Stewart Hosie (Dundee, East) (SNP): During a recent statement on Northern Rock, the Chancellor published a consultation document called "Banking reform—protecting depositors". The deadline for replies is 5 December, next week. However, as the Northern Rock problems have continued—not least because of the failure to disclose the letters from the Bank of England and the Financial Services Authority—there is now concern that the tripartite arrangement between the FSA, the Bank and the Treasury may not be the best model for overseeing and regulating the banking industry in this country. Will the Leader of the House ask the Chancellor to make an early statement specifically on the tripartite arrangement between the Bank, the FSA and the Treasury, and will she ask him to put back the deadline for responses to the consultation, so that information in that statement can be fully considered and fed back in any replies?

Ms Harman: The hon. Gentleman needs to come to the House a bit earlier if he wants to make that point, because the Chancellor of the Exchequer was just dealing with the issues that he mentions under topical questions. If the hon. Gentleman had caught the Speaker's eye, no doubt he could have raised that point. The Chancellor has been very forthcoming, and will continue to be so.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): As chair of the all-party Scottish football group, I ask my right hon. and learned Friend whether we could have a debate on how genuine fans can access the people's game. She may be aware that next year the European championship will not be shown in Scotland, but will be shown in England. Will she use her good offices and her influence with the appropriate Minister and Department to carry out an investigation into why the Scottish people are denied the opportunity to watch football, unless they have satellite television?

Ms Harman: My hon. Friend raises an important issue that will be of concern to millions of people, and I will bring it to the attention of my ministerial colleagues.

Mr. William Cash (Stone) (Con): In support of the remarks of the Chairman of the European Scrutiny Committee, I draw the attention of the Leader of the House to the fact that the report produced by the Committee is unprecedented since 1972, because it is a unanimous expression of grave dissatisfaction with the way in which the Government have conducted themselves. With reference to the answer that the Leader of the House gave to the hon. Member for Linlithgow and East Falkirk (Michael Connarty), I regret to say that she is wrong. Under the requirements of the House, including Standing Orders, if the European Scrutiny Committee keeps a document under reserve, there is an obligation on the Government to hold a debate before that document is signed. Therefore it is imperative, and it is an obligation on the Government, to hold that debate before the Prime Minister signs the treaty.

Ms Harman: The hon. Gentleman is a member of the European Scrutiny Committee. I hope he will make his proposals about how we can reform and improve the way in which we carry out European scrutiny in the House. Everybody would agree that it is important that the public have confidence that the House is scrutinising European legislation properly. We do not think that that is the case at present, and in the next couple of months we will introduce proposals, which we will discuss with all parties, to reform and improve European scrutiny.

Mr. Cash: On a point of order, Mr. Speaker.

Mr. Speaker: We do not have points of order at this stage. After the statement the hon. Gentleman can raise a point of order.

Kate Hoey (Vauxhall) (Lab): Does the Leader of the House recall that the Foreign Secretary promised in July, both in the House and in writing, that there would be a debate on Zimbabwe in this Session before Christmas? Given that next weekend Mugabe is coming to a European Union-African Union conference—our Prime Minister should be congratulated on saying firmly that he will not be there—is this not an opportunity for us to debate why the European Union seems to be cancelling the sanction that refused Mugabe travel in order to allow him to attend the conference? Would that not be a wonderful subject for the topical debate next Thursday?

Ms Harman: I will take my hon. Friend's proposal as the subject of a topical debate. She has a long-standing concern about the matter and has raised it many times. I know that it is of concern to all Members of the House.

John Barrett (Edinburgh, West) (LD): Will the Leader of the House find time to debate the situation in Bangladesh, where not only have 3,000 people died, but with rising sea levels and climate change, up to 30 million people could be at risk in future? The debate would be appreciated by the House and by the Bangladeshi community. There was a 30-minute debate last night, for which no Department for International Development Minister was available. I should like to see the Secretary of State for International Development taking his place in that debate.

Ms Harman: As the hon. Gentleman says, there was a debate in the House last night on the important subject of Bangladesh, and I know that many hon. Members attended and intervened. We will keep under review whether adequate time is being made available or whether information should be provided on Government action and the situation in Bangladesh.

Sir George Young (North-West Hampshire) (Con): Reverting to next Thursday's business and the topical debate that she announced, the right hon. and learned Lady might have noticed a growing appetite among those on the Opposition Benches for a more transparent process for selection. She explained that if we are to change the process, we will have to vote so to do, but in the meantime would it not enhance confidence in the selection process if she published the list of topics from which she made her choice?

Ms Harman: I would like to knock on the head the idea that somehow we have come up with a proposal about how this should be dealt with, and the Opposition have an alternative agenda, which we are trying to suppress. That is not the case. If the right hon. Gentleman wants to make proposals about how the debates should change, of course we will listen to them. These are early days for topical debates. We want to make sure that they go well.

Mr. David Anderson (Blaydon) (Lab): It is almost a year and a half since Farepak went into liquidation, and people are facing a second Christmas without a resolution. My understanding is that a report has been prepared by the Government. May we have an assurance from the Leader of the House that it will be published quickly, and that we will have a proper debate in the House about the recommendations in the report?

John Bercow (Buckingham) (Con): Congratulate him on his award, Harriet.

Ms Harman: I am sure the whole House would wish to congratulate my hon. Friend the Member for Blaydon (Mr. Anderson) on his award. He makes a serious point about Farepak. He will know that it is being investigated under the Companies Act. We are very concerned that the situation should never occur again. He has done important work by continually raising the subject.

Mr. James Clappison (Hertsmere) (Con): How on earth can we, or the public, have confidence in debates in the House and in European scrutiny unless there is a full and appropriate debate in the House before the Prime Minister goes to sign the treaty? Never mind the proposals for much-needed improvements in European scrutiny. Will the Leader of the House deal with the point that it would be a breach of the existing arrangements for scrutiny unless we have a debate in the House before the Prime Minister takes that action?

Ms Harman: We have numerous debates on European issues and numerous opportunities to raise them. If the hon. Gentleman wants to propose that as a subject to be debated on the Adjournment or in Westminster Hall, to add to all the hours that are available to discuss Europe, he is welcome to do so. As I have made clear to the House, and make clear again for the benefit of the right hon. Member for Maidenhead, we will reform the way in which the European Scrutiny Committee works.

Mr. Speaker: We must move on to the next business.

Mr. Cash: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. Gentleman cannot raise a point of order until after the statement. He has been here a while, has he not?

Remploy

12.15 pm

The Secretary of State for Work and Pensions (Mr. Peter Hain): I wish to make a statement on the modernisation of Remploy. Since Remploy was founded in 1945, it has played a central role in the lives of thousands of disabled men and women by providing supported employment for those who need it and, increasingly, by placing others in mainstream employment.

Both as a local MP and as a Minister, I have for the past 17 years worked closely with and supported Remploy and, as Secretary of State for Work and Pensions, Remploy workers will continue to have my full support. May I record the grateful thanks of the House for the diligence and commitment of my hon. Friend the Minister for Disabled People.

Of course, the world has developed dramatically since the end of the second world war, not least in how the aspirations and expectations of disabled people have changed, and changed for the better. The vast majority want jobs in mainstream employment, and that is the Government's priority. That is why we extended the scope of the Disability Discrimination Act 1995. That is why we have been transforming the support that we give to disabled people, moving away from a system that abandons people to the margins to one that helps them to realise their potential.

That is why we spent £66 million last year on the Workstep programme to support 17,000 disabled people. That is why we spent £62 million on access to work, to help 24,000 people. These programmes are already helping disabled people to take their place in an inclusive society. That is why we are introducing the employment and support allowance, which will replace incapacity benefit next autumn. That is why we are extending pathways to work across the country by April next year, offering tailored support to help people on incapacity benefit back into work. And that is why last year, Remploy's employment services division placed 5,000 disabled people in mainstream employment, for the first time outstripping the number employed by the factory network.

We have helped more disabled people into jobs than ever before. For example, since 2001 the new deal for disabled people has helped over 150,000 into work. None the less, there remains a vital role for supported employment, providing a chance to work for thousands of disabled people who might not otherwise be immediately ready for mainstream work. That has been a central part of Remploy's work since it was founded, but increasingly, Remploy has struggled to fulfil this role effectively.

Low-wage, low-skill competition from countries like China and the EU accession states has put Remploy factories under enormous pressure. In turn, Remploy has failed to move adequately into higher-value, higher-skill work. Losses have spiralled, and Remploy's ability to support disabled people has been put at risk. Change is therefore essential for Remploy's 83 factories across the country, and the 5,000 people whom they employ.

Following the National Audit Office's report in 2005 and the independent report by PricewaterhouseCoopers and Dr. Stephen Duckworth of Disability Matters last summer, Ministers asked Remploy to develop a new five-year restructuring plan. This was to modernise the business, avoid compulsory redundancy for Remploy's disabled workers, support substantially larger numbers of disabled people into mainstream work, and stay within a funding envelope of a £555 million taxpayer subsidy over five years, to ensure that escalating costs do not put at risk funding for other Department for Work and Pensions programmes for disabled people.

The reality is that without modernisation Remploy deficits would obliterate our other programmes to help disabled people into mainstream work. With no change, in five years' time Remploy would require £171 million a year on current trends. That would be £60 million over the £111 million funding envelope, which represents nearly the entire current annual Workstep budget.

In May 2007, Remploy made a proposal, for consultation with the trade unions, to close or merge 43 of the 83 Remploy factories. When I took over as Secretary of State a month later, however, it was clear that national and local management had not exhausted procurement opportunities to maintain the maximum number of Remploy sites. There was also a huge gulf between Remploy management and the trade unions, and the likelihood of destructive confrontation.

In August I therefore asked Roger Poole, a former assistant general secretary of Unison, to act as the independent chairman of fresh negotiations, and I want to record my thanks for the way in which he managed to achieve real dialogue and progress. Although there was no agreement on factory closures, there was significant common ground for the first time. There was agreement on the £555 million funding subsidy, on the quadrupling to 20,000 the number of disabled people Remploy would help into mainstream work, on significant cuts in management jobs and costs, on more efficient working practices, and on the vital importance of generating more public sector contracts—and, in consequence, the need for fewer factory closures.

In September I reaffirmed Government policy on Remploy: that everyone should do their utmost to get a negotiated outcome; that there would be no factory closures without ministerial agreement; and that all public authorities should be encouraged to take advantage of European procurement rules allowing contracts to be reserved for supported businesses. I also reaffirmed, as I do again today, that there would be no compulsory redundancies for Remploy's disabled workers and that they would retain the protection of Remploy's terms and conditions, including—uniquely for workers facing plant closures or transfers—their salaries and final salary pensions. Both workers and management now need certainty to end the insecurity and worry for Remploy employees and their families and to allow Remploy management to begin the radical changes that we all recognise are needed.

The final proposals that I am announcing today represent the best package for Remploy's disabled employees in those difficult circumstances. Copies of the modernisation plan are available in the Vote Office, and a letter with agreed proposals to the trade unions has been deposited in the Library. There will be 15 fewer factory closures, with 55 factories remaining open and 11 merging—down from 32 closures to 17.

The sales target for public procurement will increase to £461 million over five years, up from £298 million since the company's proposals in May. That is a huge and challenging 130 per cent. increase over the current rate of sales of £200 million. There will be a total cost saving of £59 million from around 25 per cent. fewer managers, changes in working practices and reductions in non-wage costs.

Last week I had productive discussions with the leaders of the GMB, Unite and Community, joined by Remploy chairman Ian Russell, and I pay tribute to Ian Russell for his energy and commitment to get the best for Remploy workers. As a result, we have reached further agreements to protect Remploy's future and its workers. New skills in public procurement will be brought in to ensure that its marketing and sales effort is targeted appropriately. Appropriate employment advice will be available to all disabled employees whose factories are closing. Remploy will provide a travel-to-work package wherever necessary, where employees transfer as a result of mergers. Furthermore, Remploy has been contacted by third parties interested in keeping some form of production or training at six of the sites due for closure—Lydney, Glasgow Hillington, St. Helens, Treforest, Ystradgynlais and Brynamman. At four other sites—Mansfield, Pinxton, Plymouth and York—there is the possibility of staff transfers to nearby plants, most of which are local authority-supported.

I know there will be disappointment that we are unable to keep even more factories open, but the reality is that it is simply not viable. For those sites, including those mentioned above, this is my message: if management, trade unions, MPs and others come up with a credible option involving a takeover or transfer, we will, of course, co-operate, and Remploy will help to facilitate. However, time is very short. The new funding envelope starts in four months' time—from 1 April 2008.

We have managed to keep open 55 sites only on the basis of very stretching procurement targets and a tough forward plan. It will be up to everyone with an interest in Remploy—Government, management, trade unions, local MPs and other political representatives—to pull together to ensure that those factories meet their ambitious targets, otherwise they, too, could be put at risk.

The proposals that I have presented today are both realistic about the challenges facing Remploy and ambitious for the future. The plan makes some difficult choices, and many hon. Members wish that the circumstances were different, but we are where we are. What is now vital is that everyone concentrates their efforts on making the new Remploy a success. There will be a top-to-bottom restructuring and reskilling of Remploy. The plan will deliver a new beginning for Remploy requiring a radically new approach across the entire operation, which must include better management and better union relations. Last week, I agreed with union leaders that the modernisation and procurement plan will be properly monitored to ensure that it remains on course, so that Remploy can look to the future with a degree of confidence not enjoyed for some years—the people that it was set up to serve deserve no less. I commend this statement to the House.

Chris Grayling (Epsom and Ewell) (Con): I start by thanking the Secretary of State for giving me advance sight of the statement.

Today's announcement will come as a massive disappointment for thousands of Remploy workers, some of whom are in my constituency at the factory in Leatherhead, which is to be closed as a result of today's news. I suspect that it is also a massive disappointment for hon. Members on both sides of the House who have campaigned in support of the factories threatened with closures. I do not imagine that many Labour Members entered Parliament expecting to be part of a Government who would take tough decisions such as this.

We know and understand the nature of the challenge that Remploy faces, and I know that its staff do as well. I have visited several of the threatened factories, which have hard-working and committed work forces who are very anxious about the future. No one on either side of the House would disagree with the objective of helping as many people as possible with disabilities back into mainstream employment. We all want to live in a society where people with disabilities are not outsiders. If the proposals are about achieving that goal, then they are worthy of support. However, there is one huge proviso: they have to work.

I understand the financial issues behind these changes and the importance of the Government offering a wide range of programmes to get people with disabilities into mainstream employment. However, we must not forget the interests of the people whose lives will be turned upside down by today's announcement. The terms on offer to Remploy staff may be generous—their pay and benefits are protected—but no one will benefit if some of them end up being paid to sit at home.

I know that there are anxieties among the staff about whether the company can really deliver its promises on job placements. When I visited one factory, its workers had just been told by head office that there were nearly 100 vacancies open to them locally, but their local employment placement specialists in Remploy said that the actual number was only one third of that figure, so there is still some confusion. Will the Secretary of State tell the House what work he has done to reassure himself, and hon. Members, that Remploy is really capable of placing all the people who are being displaced by this announcement in proper mainstream jobs?

At the time of the Labour party conference, on the day that the unions were threatening to embarrass Ministers about the proposed closures and to call strike action, the Secretary of State responded—arguably he bought them off—with the promise of a review. The Government are good at using reviews as a way of burying bad news these days, but they are not so good at doing the actual burying. Is it not true that precious little has changed since the announcement of that review? Is it not true that even the factories not in the immediate closure programme now face financial targets so stringent that in reality they have little prospect of meeting them? Why did it take the threat of strike action to get the Government to consider seriously the issue of public procurement? I appreciate that the Secretary of State is new to his job, so it may well be that that question should be directed at his predecessor. Why did it take so long, however, before the issue was addressed in detail?

Will the Secretary of State say how much extra potential Remploy business he has identified since his announcement in September? What practical commitments have the Government made to the company to enable it

[Chris Grayling]

to continue to identify potential additional business in future? What progress has he made in encouraging public bodies to adopt the permitted rules that would allow them to give Remploy and similar organisations a ring-fenced position in the procurement process?

I agree with the Secretary of State that everyone now needs to work together to ensure that the remaining factories have a strong future. Let me assure Remploy and its employees that the next Conservative Government will continue the process of identifying additional potential procurement opportunities for them and the public sector work force.

No one can have spoken to Remploy employees in the past few months without gaining the clear impression that from their perspective the whole process could and should have been handled more carefully and sensitively. If the process really works and all the employees are placed successfully in mainstream work, it will prove to be right and justified. The challenge now is for Remploy to prove that it can keep its promises to those employees.

Mr. Hain: I agree that Remploy's challenge now is to keep its promises; the challenge for Ministers and the whole House is to make sure that that happens. Of course it is disappointing—I am disappointed—that even one factory has to close and that others are having to merge. However, that is the reality that we face. I urge the hon. Gentleman to join every other Member with an interest in Remploy in helping to make sure that the maximum amount of public and private procurement is levered in, and that, in respect of factories that are closing—I have said that 10 might—other options are explored with the help of the relevant local Members.

The hon. Gentleman suggested that we might forget about the future of Remploy employees; that is precisely why we have built protections into their future in respect of maintaining their pensions and pay. We are very aware of the need to remember them and to make sure that they have the maximum support. I do not know about his information, but there are 660,000 job vacancies across the United Kingdom in every constituency, and they include vacancies at Remploy factories. Remploy has a successful record, which, as a result of the agreement and plan, will improve to quadruple the number—at present 5,000—that it gets into mainstream jobs. We have built in protection to monitor the situation and make sure that we check whether the jobs are sustainable. That is a result of last week's meetings, which I have described.

The hon. Gentleman suggested that nothing had changed since the Labour conference, but a lot has. We have had agreement with the trade unions on a range of different measures, although they have not accepted the closures and, like us all, are disappointed about them. There has been a lot of agreement with trade union leaders, which is why we have managed to move forward. We have also identified 15 sites that will now not be closed; others may have a future under a badge different from Remploy's.

The hon. Gentleman asked what procurement activity I had undertaken. I have discussed that matter with a range of Cabinet colleagues, and I have written to every one of them to say that we want the maximum procurement to be levered in from Whitehall and to go to Remploy. That has had the personal backing of the Prime Minister at a Cabinet meeting. We have also contacted the Scottish and Welsh Assembly Governments about the issue and encouraged all local MPs to do the same.

As in so many other instances, after listening to the hon. Gentleman I do not know what his alternative policy is. In the absence of one, I suggest that he backs our programme.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I, too, am grateful to the Secretary of State for advance notice of his statement, which will mean that more Remploy factories can stay open, through better marketing and procurement of Remploy products. That is welcome. The Liberal Democrats agree that promoting mainstream employment must be the right approach to deliver independent living and that expanding Remploy's successful inter-work programmes is the right thing to do.

Will the Secretary of State confirm—I think that he did in his statement—that the expansion of Remploy's Interwork programme to help 20,000 disabled people into mainstream work will still go ahead? He made it clear in his statement and in his letter to Paul Kenny that the plan is based on "extremely ambitious" targets. Although it is a nice surprise to hear about extreme ambition from the Department for Work and Pensions, will the Secretary of State say where the priority will lie if the targets cannot be met? Will it be retaining the factories announced today or helping more disabled people into mainstream work? If he cannot answer that question, will he confirm that he will make available additional resources to Remploy if it needs them to meet its target of getting 20,000 disabled people into work every year?

Today's statement will have a devastating effect on the current Remploy work force in the factories to be closed. In areas such as north Wales, there are real local concerns about the local proposals. It seems that there is still room for local flexibility in applying the plans. What process will the Secretary of State put in place to make sure that local concerns can still be heard?

Remploy employees have endured a long period of uncertainty, which has caused real stress. Over what time scale will the closures be phased, and how long will the affected employees have to find alternative employment? Does Remploy have the additional capacity to provide the counselling and skills-focused help needed by workers in the closure areas?

Finally, will the Secretary of State put the Government's money where his mouth is on the procurement proposals? Although his Department has made good use of Remploy services and products, answers that I have received to written questions show that the Wales Office, the Scotland Office, the Northern Ireland Office, the former Department for Education and Skills, the former Department for Constitutional Affairs, the Cabinet Office, the Department for Culture, Media and Sport, the former Department of Trade and Industry, the Foreign and Commonwealth Office and the Treasury did not make any use whatever of Remploy products and services. What is the Secretary of State doing to encourage his Cabinet colleagues in those Departments to make use of Remploy services and products and guarantee that their Departments play a role in helping Remploy meet its procurement targets?

Mr. Hain: Let me express my gratitude for the hon. Gentleman's support for the primary objective of putting more disabled workers into mainstream employment and of sustaining a viable, supported employment network.

The hon. Gentleman asked about what other initiatives I am taking in respect of other Departments. Officials and trade union representatives are going to each Department to see what is possible. A range of Ministers has helped with that, and we are going to take it forward. He asked whether the 20,000 disabled people—that represents a quadrupling of the number that Remploy will help into mainstream work—will be at risk if the ambitious plan is not realised. The answer is no: that part of Remploy's funding is protected. We have already committed an average of more than £111 million per year of the £550 million to subsidise Remploy for the future. There will also be modernisation funding of more than £100 million to help, particularly with the transition; substantial amounts of taxpayers' money is rightly going to help some of our most vulnerable disabled employees.

Of course I will respond to local concerns. The hon. Gentleman will have noted that I mentioned both Brynamman and Ystradgynlais, proposals for which have been put to me. The hon. Members for Carmarthen, East and Dinefwr (Adam Price) and for Brecon and Radnorshire (Mr. Williams) have already made their own plans and we are happy to talk to them about the future. However, I do not want to give false optimism; my announcements today are based on a credible plan, but a very ambitious one. Of course, we will co-operate with anybody who wants to do so about alternative options.

The hon. Gentleman asked about time scales. The proposals will kick in pretty well immediately from 1 December. However, the new funding and arrangements have to come in by the end of March, when the £555 million cost envelope over five years begins.

Finally, let me point out what would happen if we did not take these steps. By the end of the five-year plan, we would be looking at funding Remploy with an additional £60 million. That is equivalent to a substantial part of our specialist disability programmes—Workstep, access to work, work preparation and job introduction. To find that money, we would need to deprive almost 20,000 disabled people of support from those programmes. There are tough choices involved. However, I believe that this plan is the best available, and I will work with anybody to improve it.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Secretary of State aware, as I am sure he is, that anybody who visits a Remploy factory is drawn to the immediate conclusion that it is a place where people go to work who would otherwise never get to work—some of them, although not all—because it is part of an extended family? Those people are also members of a trade union, which is as important today as it has always been. He said that he is going to talk to the Scottish Parliament, the Welsh Assembly and all these others, but will he go further? An instruction needs to go out to every Remploy management. Most of them are pathetic, as he knows. They have to be told to meet local authorities such as Derbyshire county council, Nottinghamshire county council and others in the area to try to save the two factories at Pinxton and Mansfield. If he will take those extra steps, I am sure that they will be able to come up with even more procurement, and the result will probably be to save another 200, 300 or however many hundred jobs.

Mr. Hain: I very much appreciate and echo my hon. Friend's passionate support for Remploy workers. I first met Remploy workers some 17 years ago in my constituency. The Neath plant has subsequently merged and moved to Baglan, but I work closely with it. He rightly says that there is an extended family atmosphere, which is very precious, and that they are trade union organised, which he, like me, welcomes. As I said, we have already been in touch with the Administrations in Scotland and Wales, who have promised to do what they can, but every local authority, health trust, health authority and local education authority should look to do what it can. I cannot promise that the Mansfield and Pinxton factories will remain Remploy-badged factories, but there is interest in at least some of the staff transferring, and I will consider all credible options. However, I must not mislead anybody. It will be tough to keep the existing 55 sites open, and we must all concentrate on reaching that ambitious target. If there are other options for those sites, such as being transferred or taken over, we will do our best to help to achieve that.

Philip Davies (Shipley) (Con): The Secretary of State did not make clear the basis on which it was decided to save some factories from closure but not others. Having visited the factory in Bradford, I can tell him that many people there are very concerned at the prospect of its closing. A lot of them have worked there for many years, and while some may be able to find jobs in mainstream employment, very many will not, and those who do so may not stay for long. I hope that he will think again about the Bradford factory, which serves a very important social purpose for those people. None of them wants to sit at home and get their money—they go there because they want to do something worth while.

Mr. Hain: I appreciate the case that the hon. Gentleman makes on behalf of the Bradford site, as I do the case made by every hon. Member on behalf of their local site. We explored every available opportunity, as did Remploy. In the process of doing so, we managed to save an additional 15 factories, and there have already been discussions involving 10 of the others due for closure. I can only repeat that if a credible option comes up we will help to support it, and I urge everybody to get behind making this plan work.

Perhaps I should now deal with the point made by my hon. Friend the Member for Bolsover (Mr. Skinner). Yes, I do want managers to go out and do what they can. As I said, that has not been happening properly or with sufficient vigour and expertise over the years, which is why we have ended up where we are. Nevertheless, I cannot promise the Bradford site any other future than the one that I have announced to the House.

Mrs. Siân C. James (Swansea, East) (Lab): My right hon. Friend mentioned factories several times in his statement. He will be aware that I have already made several representations on behalf of a place of employment in Fforestfach in the constituency of my right hon. Friend the Member for Swansea, West

[Mrs. Siân C. James]

(Mr. Williams), where 30 of my constituents work. It is an anomaly, in that it is not a factory but a shared service centre. Unfortunately, it does not appear on any of the closure lists or other lists that have been published. My constituents are very concerned about their jobs. They have been doing a sterling job in purchasing, paying bills, auditing and accounting. I would like reassurance on their behalf that they will be given the same consideration as those in the factories, because their jobs are equally important.

Mr. Hain: I agree with my hon. Friend. She has made strong representations to me and to my right hon. Friend the Member for Swansea, West (Mr. Williams) about the shared service centre. She will see from the documentation that it is scheduled for merger, with some of the staff being transferred to the nearby site at Baglan. We will look closely at her representations, but I cannot promise any different outcome at this stage, as we had the discussions only a couple of days ago.

Mr. Henry Bellingham (North-West Norfolk) (Con): I am especially concerned about young adults with learning difficulties. Does the Secretary of State agree that they need and deserve access to training and employment, because they are vulnerable adults and it is vital for their self-esteem and self-confidence that they get this help? He said a lot about physically disabled adults, but what is there in the measures that he announced specifically to assist young adults with learning difficulties who need this assistance so badly?

Mr. Hain: Our objective is to continue to work with young adults with stress or other forms of perhaps more serious mental illness, and those with a range of learning difficulties, to move them off incapacity benefit into mainstream jobs. We have been pretty successful in doing that. The hon. Gentleman is right that they need help, especially the young adults. That is why, earlier this week, we announced new programmes to support under-25s in moving off incapacity benefit—the stock of under-25s rather than those recently applying—and to reduce the numbers on incapacity benefit to significantly below what they are even now. He will know that over the past four years we have reversed the trend that started under the Conservative Government, when the numbers on incapacity benefit trebled, by reducing those numbers. In the past four years, some 120,000 people have come off incapacity benefit—the first time that this has been turned around. More and more people will do so, including those with stress, a mental illness or some form of learning disability.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): This will be a very sad day in Plymouth, which has one of the factories listed for closure, where 35 people currently work. I understand that 21 of those people are looking for alternative employment, and I hope that they will soon join the 93 who have been found employment locally since April this year in local Remploy services alone; there are a lot of other help services in Plymouth. It has already been agreed that four or five of them will go to Pluss—a sheltered workshop that has, by diversifying, done exactly what Remploy should have been doing all these years. May I invite my right hon. Friend, along with my hon. Friend the Minister with responsibility for disabled people, to visit Pluss, to give assurances that there will be employment and a place for all those 35 people, and to see how that award-winning factory operates so that he can draw on that experience when he works with Remploy to take these matters forward?

Mr. Hain: My hon. Friend has been a fantastic champion of disabled people in her constituency and I pay tribute to the way in which she has worked with the staff concerned to try to offer people a new future; she has been hugely successful so far. We will continue to work together to ensure that there is a future for others affected. The case of Pluss is a model example of what should have been possible a long time ago, and I will look to see whether I can visit, because I have heard a lot about it from her, as has my hon. Friend the Minister with responsibility for disabled people. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) is right—it is a good example of some of the things that Remploy should have done a long time ago.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I was pleased to hear mention of Brynamman and Ystradgynlais in the statement made by the Secretary of State. The hon. Members for Carmarthen, East and Dinefwr (Adam Price) and for Llanelli (Nia Griffith), myself, the unions, the local authorities and the work force have been working for a successful conclusion, knowing that the status quo cannot survive. Key to the issue is the Vector furniture product; without that, those two manufacturing units cannot survive. Will the Secretary of State assure me that he will intervene on Remploy to ensure that the Vector furniture product can remain with those two very effective work forces?

Mr. Hain: I am grateful for what the hon. Gentleman said, and also for the work of Joyce Watson, the local Welsh Assembly Member. She came to see me last Friday to discuss a plan that she had talked about with the hon. Gentleman and the hon. Member for Carmarthen, East and Dinefwr (Adam Price) to establish whether European convergence funding could be put to a different use, perhaps involving some sort of training facility on the Brynamman site. We are also looking at what can be done on the Ystradgynlais site, but I cannot hold out any prospect of retaining the existing furniture work distributed between those sites, because that would put at risk the Baglan site—a new, state-of-the-art facility that I opened a few years ago. The matter needs more work as a result of the problems that have built up, but let us see what we can do in respect of those two sites outside the Remploy network.

Roger Berry (Kingswood) (Lab): I thank my right hon. Friend and my hon. Friend the Minister with responsibility for disabled people for the work that they have done to address this difficult issue. Will my right hon. Friend advise the House on whether mainstream work remains the prime objective of employment policy on disabled people and on whether supported employment should be seen, wherever possible, as a stepping stone to mainstream employment, rather than an end in itself?

Mr. Hain: I agree with my hon. Friend and I pay tribute to the work that he has done throughout the country and in the House to advocate increased rights and opportunities for disabled people. He has talked to me about his ideas and they are admirable. I agree that mainstream employment is a major objective of the whole of Government policy towards disabled people, and we want to see supported employment where it can be a stepping stone into mainstream employment. We are putting huge resources into Remploy over the next five years—more than £0.5 billion pounds—and there will be a vital role for supported employment. When it comes to supporting people in getting into mainstream work, Remploy's employment services and factory network must work hand in hand.

Adam Price (Carmarthen, East and Dinefwr) (PC): As the other Member in this House who represents Brynamman, I am extremely disappointed with the Secretary of State's statement. Why is it that the factories in Brynamman and Ystradgynlais, which produce a profitable product line, should be closed to make up for a shortfall in orders elsewhere in the Remploy group? The offer of the transfer of ownership is an empty one unless a product line comes with it, because a factory without a product line is simply not a credible business option.

Mr. Hain: I do not accept that the two factories are viable, because they would not be candidates for closure otherwise. We have gone through all the different criteria that we have applied and the hon. Gentleman is simply wrong: those are not viable factories. I wish that they were, as I have constituents who work at both of them and they have come to talk to me about them. I know the plants well; I have visited both. However, instead of adopting the stance that he has, I would urge him to work for a future for the site in his constituency, as many other hon. Members have done, including my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy). The best future is to ensure that this plan works and to see what we can do with the existing sites and their workers.

Nia Griffith (Llanelli) (Lab): I should like to express my disappointment at my right hon. Friend's response to the hon. Members for Brecon and Radnorshire (Mr. Williams) and for Carmarthen, East and Dinefwr (Adam Price), and to beg him to reconsider the idea of the product. While Baglan is ideally situated to provide a training centre that can do everything we want to get people into other employment, there is no doubt that if we have a product that is successful and is making a profit, in an isolated valley community, it does not make any sense for a third party to take over without having the option of making that product. I would like my right hon. Friend to reconsider what he has said and see whether there is any way in which that product can be taken over if we find a viable third-party group that can do so.

Mr. Hain: I am afraid that I have to disappoint my hon. Friend. To tell it absolutely straight, I have constituents in both of these sites; I know them, and I tried my very best to save them both. But no Remploy site anywhere in the network is profitable. The network needs a huge subsidy, as it has had in the past, which is right, because we are talking about supported employment. I wish it were otherwise, but those two sites are not viable. If we tried to keep them open, they would pull down the rest of the network, including those working in the furniture area at Baglan as well. Having had Ystradgynlais and Brynamman in mind, which are remote from the Baglan site up at the top of the valleys, we have made additional transport cost support available where necessary, and I hope that that will help. I hope that my hon. Friend noted that.

Julia Goldsworthy (Falmouth and Camborne) (LD): We agree with the principle that as many people as possible need to be encouraged into mainstream work, but can the right hon. Gentleman reassure me that support will be in place for vulnerable people who may have been working at factories for a very long time and for whom closure or even merger, which represents longer journey times, will pose significant difficulties? Will he give some more detail on the specifics of skills and counselling advice that will be given to those people?

Mr. Hain: Yes, I can confirm that those important points are built into our plan, and they were reinforced in detailed discussions we had with union leaders last week.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): May I say to my right hon. Friend that many of us appreciate that he has had a most difficult job in dealing with this situation? I thank him and my hon. Friend the Minister with responsibility for disabled persons' rights for the sheer sensitivity that they have applied to this extremely difficult situation. It is important that my right hon. Friend continues to work with management, and Mr. Russell has made a substantial contribution; in many ways, it is a great pity that he was not there earlier. The role of the trade union movement is extremely important because it understands that for many people, working in Remploy is therapeutic.

Finally, will my right hon. Friend join me in congratulating my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy) on his outstanding representations, which have meant that the Lanarkshire factory has been retained and that training will take place? Given the support of the Lanarkshire community for Remploy—I am sure that such support is present elsewhere—we welcome that decision in what is an extremely difficult situation.

Mr. Hain: I am grateful for my right hon. Friend's support and for what he said; the situation has been very difficult. I think that we have the best possible outcome, and I congratulate my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy) on the work that he has done in his constituency. That is a model of what needs to be done in such circumstances, and I urge others with local concerns to look at it.

John Barrett (Edinburgh, West) (LD): The Remploy factory on the west side of Edinburgh at South Gyle is not down for closure. Will the Secretary of State take on some concerns expressed to me by employees there? One is that all Remploy factories struggle to be viable because of the central, top-heavy management costs

[John Barrett]

that have been distributed throughout the entire network. Secondly, while there is a push to get many employees into mainstream employment, many struggle. For example, those who use sign language can do a mainstream job, but are isolated if they are the only such person in their workplace.

Mr. Hain: The hon. Gentleman makes some good points, to which we are extremely sensitive. He will have noted that I said that management costs are to be reduced by a quarter, which is a pretty substantial amount. I also said that I wanted better management. The new chairman, Ian Russell, who was appointed earlier this year by my right hon. Friend the Member for Barrow and Furness (Mr. Hutton), has proven to be outstanding. He has won the confidence of trade unions so they feel that they have someone who is driving forward the best possible plan. We wish him all the best.

Mr. Frank Field (Birkenhead) (Lab): Will the Secretary of State say what decision he has made on the Remploy factory in the Wirral? Will he clarify the conditions for workers moving from secure employment to the private sector? Are we right to conclude that they will never suffer pay cuts or cuts in pension entitlement throughout their working lives? Although everyone in the House wants the Government's programme to be a success, sometimes successes are more difficult to achieve than we realise at the outset. Will the Secretary of State come back to the House in a year's time so that we can consider how performance has matched his high hopes?

Mr. Hain: The conditions that Remploy workers who are unable to continue to work for the company will enjoy are unique, as my right hon. Friend has noted, and final salary pensions and salaries will be maintained. We have built in a monitoring mechanism. I am certainly happy to report on where we are, in writing or orally, in a year's time.

Mr. Field: Wirral?

Mr. Hain: There is a full list—I am not sure what the factory is called. *[Interruption.]* Perhaps it is Wallasey? There is a full list in the Vote Office. I am trying to search for the correct one. It is not called the Wirral.

Mr. Field: It might be Birkenhead, or Wallasey.

Mr. Hain: Birkenhead is one of the factories that is to merge. There is a CCU unit there.

Mr. Frank Doran (Aberdeen, North) (Lab): May I first congratulate my right hon. Friend the Secretary of State on his statement? It was an extremely difficult statement to make, as hon. Members and hundreds of Remploy employees today had the final confirmation that their factory is to close. I am in the fortunate position that the factory in my constituency, the Aberdeen Remploy, is to be saved. My right hon. Friend did not read out the list, but I hope that it still is.

My right hon. Friend made a number of references to changes in management. That is crucial. One of the most serious criticisms of the way in which Remploy has been run concerns the quality of the management. Management needs not only to be cut, but to be improved, too. Extremely difficult targets have been set, and I for one do not want to be here in three or four years' time after we have gone through another similar process.

Remploy management have been particularly deficient in centralised purchasing, as the hon. Member for Edinburgh, West (John Barrett) mentioned. Since we launched the campaign to save our Remploy factory in Aberdeen, we have encountered a huge response from the local community and local businesses. "Local, local, local" is a strong marketing tool.

Mr. Hain: I very much welcome what my hon. Friend has said, and the work that he has put in to get new work for his factory, including from the oil industry. Aberdeen will remain open, partly because of the work that he has done.

Let me clarify my earlier point for my right hon. Friend the Member for Birkenhead (Mr. Field), because there is a long list of factories involved. Birkenhead CCU will merge, but Birkenhead factory will stay open.

Chris Bryant (Rhondda) (Lab): I am glad to hear that the Treforest site is now off the list for immediate closure. Will the Secretary of State say a little more about that? Would it not be a better idea for Treforest to become a social enterprise, perhaps with help from the Welsh Assembly? It could move into a new factory and not work under the badge of Remploy, but retain its contracts. Instead of making table tops in south Wales, taking them all the way to Sheffield to put legs on them and then bringing them back down to Wales to sell them, would it not make sense to make a complete unit in south Wales? What on earth has Remploy been doing, buying tables from Complexia which is not a disabled company?

Mr. Hain: I understand my hon. Friend's points. Treforest is on the list for closure and will remain so. I am happy to confirm to my hon. Friend that I have had expressions of interest from two Welsh Assembly Government Ministers—the local Assembly Member, Jane Davidson, and the deputy Minister concerned, Leighton Andrews—to consider whether the Assembly Government can help to give Treforest a viable future. As my hon. Friend says, it will operate under a badge other than Remploy. If that is possible, we will facilitate it if we can.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I appreciate the endeavours of the Secretary of State and the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire), who has responsibility for disabled people. However, I am greatly disappointed by the decision on the Barnsley factory, which is in my constituency. It is listed as a merger with Sheffield but it is in effect a closure because Sheffield is a good distance from Barnsley and many people from that factory will not travel to Sheffield. In Barnsley, we have a high level of people on incapacity benefit and probably a larger number of disabled people than any other metropolitan borough. There will be little chance of finding those people jobs in the mainstream. Will the Secretary of State consider reviewing whether

factories should be kept open in areas such as Barnsley, which have high levels of incapacity benefit and disability? In such situations, there is a need to keep supported employment. Will he review his decision? The factory in Barnsley has started to improve, and I ask him to give us the opportunity into the next year to see whether we can build on that improvement and retain the factory.

Mr. Hain: I am afraid that, much as I would like to, I cannot give my hon. Friend the assurance he seeks. He came to see me a few days ago with colleagues. Much as I would like to keep the Barnsley factory open, along with the others that are due for closure, to do so would pull the whole lot down. That is the problem. In the Jobcentre Plus district that encompasses Barnsley, 580 disabled people secured employment in the first six months of 2006-07. It is possible to see a future for his constituents, and I hope that we can work together to achieve that.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): In Sheffield, we have an excellent modern Remploy factory that has not been threatened with closure, but my concern whenever I have been to visit is that it does not appear to be working at anything like full capacity. The complaint that is heard over and over again from trade union reps and employees is about the several multi-tiered levels of management and the lack of focus in management on getting in high-quality, high-value work. The Secretary of State has given assurances on a national level about reductions to management costs and refocusing. Will he assure us that there will also be local discussions between management and trade unions, so that there can be agreement between them to work together to ensure that we get in the extra work that is needed to keep the proposals on course?

Mr. Hain: I agree with everything that my hon. Friend has said. To visit a factory such as his—many others are like it—that does not work at its full capacity and where working practices have not been of the current age, to put it diplomatically, has often been as much of a disappointment to the employers as it has to everybody else. He will see in the detail that Remploy will be restructured and reskilled from top to bottom, led from the top by the chairman, Ian Russell. We are determined to get a modern, viable Remploy network, of which the Sheffield factory will be an important part.

Mr. Denis Murphy (Wansbeck) (Lab): I thank my right hon. Friend for listening to the powerful arguments put forward by the work force at the Ashington factory and lifting the threat of closure. That has been welcomed by the whole work force. The Ashington factory is the only facility of its type in Northumberland. However, although it is an excellent site, it is much underused. Would my right hon. Friend consider expanding the Ashington site and making it a centre of excellence for training, allowing not only disabled people but able-bodied people and apprentices to use the facilities?

Mr. Hain: I thank my hon. Friend for what he has said and for his constructive suggestion. I agree that it has been a source of frustration. I visited his constituency, although not the site, earlier this year. He lobbied me most strongly on the matter. It is a source of frustration that the maximum potential for Remploy sites has not been developed. Ashington is a good example, as the training dimension could be so developed.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): It would be churlish not to accept that there has been significant progress under the stewardship of my right hon. Friend and his ministerial team, not forgetting the terrific campaigning work carried out by the trade unions. However, Glasgow's Hillington factory is still under threat of closure. If there are talks with third parties, will my right hon. Friend allow reasonable time for those discussions to come to fruition? If and when the factory is closed, will he assure those who want to stay in the Remploy family that they will be allowed to transfer to other Remploy sites that are close at hand?

Mr. Hain: Yes, of course, if it is feasible for transfers to take place, they will. I applaud my hon. Friend for his work to secure alternative opportunities, about which he is in discussion. That is why I mentioned his site of Glasgow Hillington, for which we are looking to provide a secure future. I want to place on record, as my hon. Friend has, my appreciation of the work of the trade union movement. It has made life difficult for the Government, but that is its job, and it got a much better plan out of it. The trade unions did not get all they wanted—I did not get all I want; it is not possible—but a much better outcome was secured through the pressure that they applied.

Ian Lucas (Wrexham) (Lab): I thank the Secretary of State for the decision to keep the Wrexham factory—the only such factory in north Wales—open, in response to the tremendous local campaign that Councillor David Bithell led. Union representatives Dennis Morgan and Ray Lonsdale also played an important part. I am anxious about the local stakeholder groups, which I want to be taken forward as powerfully as possible. May I therefore invite the Secretary of State to chair the first meeting of the Wrexham local stakeholder group, of which I expect to be a member, as soon as possible?

Mr. Hain: I appreciate the work that my hon. Friend, local councillors and others that he named have done, which helped persuade me that the Wrexham plant has a viable future simply because it has so much energy behind it. However, it is still important to lever in more public and private procurement, and I know that my hon. Friend will do his best through the stakeholder group to achieve that, and we will support him. I cannot promise to chair the group's first meeting. If I visit his constituency, as I have done from time to time, I will see what I can do, but I do not want to mislead him about that.

Clive Efford (Eltham) (Lab): The reason that my right hon. Friend has not heard from me or my hon. Friend the Member for Erith and Thamesmead (John Austin) is that we are not yet in a position to approach him with a project for the Woolwich factory. In our discussions, it has come to light that the cost of the site to the freeholder is £24,000 a year, but it shows up as £140,000 in the Remploy budget for Woolwich. There is more to investigate regarding the Woolwich factory.

[Clive Efford]

Remploy has said that it will lay on a bus to take workers from Woolwich to Dagenham, which will take approximately an hour on top of the journey that factory workers have to make to Woolwich to get the bus. The cost is likely to exceed the costs of the site, as described by the freeholder. We believe that more is to be had from the site and that more investigation is needed. May I urge my right hon. Friend to give us a little more time so that we can approach him with a project to salvage the site, if possible? It looks as though it will cost Remploy more to effect its plans than to keep the site open.

Mr. Hain: I do not think that that is right, but I shall obviously look into the figures that my hon. Friend cited. As in other areas, 300 disabled people were placed in mainstream work in the Jobcentre Plus district that includes his constituency and the Woolwich plant in the first six months of last year. There are opportunities out there, and we will work with those who do not want to move to the alternative site with which Woolwich is merging. I know, because my hon. Friend has spoken to me about it, that the time problem is serious. If there is an alternative—if the local borough council or anyone else can help provide an alternative for the site, albeit not under a Remploy badge—of course, we want to help facilitate that.

Points of Order

1.13 pm

Sir Patrick Cormack (South Staffordshire) (Con): On a point of order, Mr. Deputy Speaker. I should be very grateful for your guidance. During business questions today, I suggested to the Leader of the House that topical debates should be chosen not by her but by Mr. Speaker or by ballot. There is a good precedent for both. Although she seemed to understand my point and be reasonably sympathetic to it, she appeared to labour under the misapprehension that the House had placed upon her the responsibility for choosing the debate. I have had a chance to cast only a cursory look over Standing Orders, but that does not appear to be the case. I should be grateful if you could confirm that.

Mr. Roger Gale (North Thanet) (Con): Further to that point of order, Mr. Deputy Speaker. You will be aware that there was an exchange of views about topical questions at business questions. It is the case that the Leader of the House sought to give the House the impression that she was interpreting and implementing new Standing Order No. 24A, which the House passed on 25 October. During the debate on the modernisation of the House, the Leader of the House said in response to the shadow Leader of the House:

> "She asks for the subject of the topical debate to be announced by the Leader of the House following consultation with business managers. As I have stated, that is indeed what we envisage happening, and that would include consultations through the usual channels."

In winding up the debate, the Deputy Leader of the House reaffirmed:

> "We are completely open to Back Benchers nominating subjects, and my right hon. and learned Friend the Leader of the House pointed out that they could do so at business questions."—[*Official Report*, 25 October 2007; Vol. 465, c. 448-98.]

It has become apparent in the past few days that consultation did not take place about today's debate. Indeed, the Leader of the House confirmed yesterday to the Modernisation Committee that no requests were submitted to her for today's debate, while the usual channels submitted two questions.

My point is simply that the Standing Order contains no indication that the Leader of the House is responsible for the choice of subject rather than its announcement. In fact, the Standing Order does not even state that she is responsible for announcing the subject. Would you be kind enough to ask Mr. Speaker, as the guardian of Standing Orders, to invite the Leader of the House to visit him to discuss the proper manner in which Standing Order No. 24A, which was passed on 25 October, should be implemented?

Clive Efford (Eltham) (Lab): Further to that point of order, Mr. Deputy Speaker. I have some sympathy with the idea that Back Benchers should have some say in the subjects for the topical debates. However, surely there should be some formal structure for determining the will of Back Benchers, rather than simply having a group of Members turn up at business questions and hijack it for some political purpose. That will do the

House and the country no service and we need to formalise the process so that Back Benchers have some input into it.

Mr. Deputy Speaker (Sir Alan Haselhurst): I said on the occasion of the first topical debate that we were on something of a voyage of discovery. We certainly have not finished travelling yet. Topical debates are an experiment and the Standing Order to which hon. Members referred is possibly open to more than one interpretation. It states:

"A Minister of the Crown may indicate that proceedings on a motion... are to be conducted as a topical debate."

That is perhaps capable of interpretation in more than one manner. It depends on the emphasis one places on "may" and "indicate".

The House has decided on the experiment. It is perhaps a pity—I say that as a reflection, not a reproof—that more hon. Members were not in the House when the Modernisation Committee's report was debated. Many matters were covered and clearly not everyone was au fait with the implications of what was being done.

I am sure that Mr. Speaker has heard the earlier exchanges, as has the Leader of the House, and that they will read what has just been said in the *Official Report*. However, I am sure that minds are not closed to examination of the way in which the experiment should develop. It is not cast in stone. The Leader of the House is currently "indicating" and, hopefully, in view of what has been said, more consultation will take place about the final choice that is made. However, at the moment, as the Standing Order is written, it appears to be a rightful decision for her. I hope that that is helpful.

Mr. William Cash (Stone) (Con) *rose—*

Sir Patrick Cormack *rose—*

Mr. Deputy Speaker: Perhaps Sir Patrick wishes to pursue the point.

Sir Patrick Cormack: Thank you, Mr. Deputy Speaker. I am grateful for your invitation and for your comments. However, from what I saw and from what you said, there appears to be no obligation on the Leader of the House to make the choice. I believe that it would fulfil the requirements of hon. Members of all parties if the choice were delegated from the usual channels and the House either vested the responsibility in Mr. Speaker or held a ballot.

Mr. Deputy Speaker: The hon. Gentleman has put that on the record and I am sure that those matters will be further considered. Other aspects of the topical debate may also need to be considered as we proceed.

Mr. Cash: On a point of order, Mr. Deputy Speaker. During business questions, the Leader of the House made a number of assertions that on reflection she may wish to withdraw. The matter relates to a potential breach by the Leader of House, and possibly also by the Prime Minister, in respect of a resolution of the House of 17 November 1998.

The position is that the European Scrutiny Committee has been clear in calling for a substantive debate on the reform treaty before its signing by the Prime Minister in mid-December. That has also been backed up by early-day *motion 426, tabled by the Chairman of the Committee* and others, including me, which has been corrected, with the word "ratify" being supplanted by the word "signing".

The situation in respect of that resolution is unprecedented since at least 1972. In a nutshell, the position is that:

"No Minister of the Crown"—

which includes the Prime Minister—

"should give agreement in the Council"

or in the European Council

"to any proposal for European Community legislation...which is still subject to scrutiny".

The resolution also says that reference to an agreement to a proposal includes an agreement to a programme, plan or recommendation for European Community legislation, as well as a political agreement.

I should be grateful for a written formal ruling, I presume from Mr. Speaker himself, with respect to this question and to paragraphs (3) and (4) of the resolution, which deal with the basis on which the Minister may give agreement. It is not necessary for me to go through them in detail, but there are provisions that give the Minister the right to give agreement in certain circumstances with which I think the Prime Minister would find it impossible to comply. In those circumstances, I should be grateful if we could have a formal ruling on the matter, which goes to the heart of the manner in which the Government have produced the treaty and are proposing to sign it and how the United Kingdom is to be governed, and raises matters that are reminiscent of the difficulties that arose as far back as the 17th century, when we had similar problems to do with how this country was to be governed.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Further to that point of order, Mr. Deputy Speaker. I wish this matter were taken seriously, because the last report from the Cabinet Office about breaches of scrutiny showed that not one breach of scrutiny in the last quarter was deliberate—in other words, a Minister knowing that they would breach a scrutiny reserve and doing so in contempt of our Committee. It would be terrible if the Prime Minister went to the next European Council and signed the reform treaty when there was a scrutiny reserve on it. The matter is easily dealt with, because it would mean a debate, I hope on the Floor of the House, on the reform treaty before the Prime Minister gets into that embarrassing situation.

Mr. Deputy Speaker: I am not sure that I can help the hon. Member for Stone (Mr. Cash) on what happened in the 17th century, or that he would expect me to be able to do that today. Paragraph (4) of the resolution to which he referred allows Ministers to give agreement prior to the conclusion of the process of scrutiny for "special reasons" and provides that Ministers should explain those reasons "at the first opportunity". That is the procedural cover for the situation. It is a matter of political judgment as to how

[Mr. Deputy Speaker]

important a measure is in a particular instance. That is not something on which the Chair can rule, but as the Standing Orders are written, it is possible in those circumstances for a Minister to agree the particular matter.

Mr. Cash: Further to that point of order, Mr. Deputy Speaker. I deliberately did not go into the particular point that you raised because I thought it could be dealt with at a later stage. However, in the light of what you have just said, I still request a formal ruling from the Speaker on the subject, because the provisions contained on page 947 of "Erskine May" elaborate on your point as follows:

"In practice this is usually when the minister believes that an agreement on a text which is in the interests of the United Kingdom might be threatened by his imposition of a United Kingdom parliamentary scrutiny reserve."

I think that it would be impossible for the Prime Minister to discharge his duties under those criteria.

Mr. Deputy Speaker: I think that the hon. Gentleman is seeking to draw the Chair into a political argument on that particular point. It still is a matter of interpretation on the words that he uses as to whether the Minister, be it the Prime Minister or any other Minister of the Crown, believes that something is of sufficient importance. That is a matter of interpretation and it will be a matter of political debate. However, Mr. Speaker's attention will be drawn to this exchange. If the matter needs to be clarified or refined beyond what I have said in trying to assist the hon. Gentleman, Mr. Speaker will communicate with him.

TOPICAL DEBATE

Apprenticeships (England)

Mr. Deputy Speaker (Sir Alan Haselhurst): In the light of the difficulties that arose yesterday—no time limit was imposed when there appeared to be a paucity of speakers, but when the debate began there was suddenly a sufficiency of speakers, creating a difficulty on the time limit situation—more careful examination of the Standing Order suggests that while the announcement of a time limit would ideally be made earlier in the day when, under perfect circumstances, all hon. Members who wish to speak in a debate have let Mr. Speaker know of their desire, it is still possible for one to be announced at the start of a debate. I realise that this gives no notice to Back Benchers, but it may be wise under the circumstances for me to impose a time limit of 10 minutes on Back-Bench speeches. I hope that we shall thereby be able to have a complete debate.

1.26 pm

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): I beg to move,

That this House has considered the matter of future prospects for apprenticeships in England.

The Government are determined to build on the foundations laid over the past 10 years to accelerate the growth of apprenticeships over the next decade.

Mr. Christopher Chope (Christchurch) (Con): Does the Minister share my surprise that this debate is a topical debate, notwithstanding the fact that no Member of the House applied for it to be the topical debate for this week?

Mr. Lammy: I think that what is available for our young people by way of vocational qualifications, employment, education and training is topical in families and schools up and down country. I also think that the debate is topical given that the Prime Minister has made announcements on apprenticeships in the past few days. On that basis, I am pleased to be in the House to make this statement.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): On the matter of topicality, will the Minister join me in congratulating the apprentices of Babcock Marine, to whom I hope to present some awards tonight and who are the first such to graduate since the company was taken over? They have a great interest in knowing that the future of apprenticeships is secure, unlike during the 1990s, when there were no apprenticeships at the dockyard, the biggest employer in the west country.

Mr. Lammy: I am grateful to my hon. Friend for that intervention. Of course I congratulate the young people in her constituency on all that they have achieved.

I start with a quotation from Sir Terry Leahy, the chief executive of Tesco:

"I am a huge fan of apprenticeships because I have seen what they can do for individuals and also what they have done for my business."

Many top business leaders in this country share that conviction. It has been my great privilege over the past few months to travel the country visiting employers and apprenticeships, from meeting sheet metal workers in Huddersfield and seeing the recent launch of the media apprenticeships with the BBC in Manchester to seeing apprenticeships last week in Birmingham and talking to electricians in that area this week. Apprenticeships are vital and employers say that they are important to their productivity.

Mr. Desmond Swayne (New Forest, West) (Con): I accept the popularity of apprenticeships among employers. Does the Minister accept, however, that they are not popular enough among employees, given that only about 40 per cent. of people complete their apprenticeship? If we could be much more rigorous in defining what constitutes an apprenticeship, they would become more popular, by which I mean that more than 50 per cent. of people would complete them.

Mr. Lammy: The hon. Gentleman is wrong: the completion rate for apprenticeships is now 63 per cent. It has gone up from the dire situation in which there was little or no inspection for apprenticeships and in which less than a quarter of them were completed. When the hon. Gentleman speaks to employers, he will find that they say that there are always many more young people than they can provide apprenticeships for.

Mr. David Chaytor (Bury, North) (Lab) *rose—*

Jim Sheridan (Paisley and Renfrewshire, North) (Lab) *rose—*

Mr. John Hayes (South Holland and The Deepings) (Con) *rose—*

Mr. Deputy Speaker: Order. It is easier if the Minister can make a quick decision as to whom among these many Members he wishes to call. Perhaps Mr. Hayes would like to intervene on him first, and Mr. Sheridan later.

Mr. Hayes: I am grateful to you, Mr. Deputy Speaker.

The Minister is right to say that the number of completions has risen from a very low base. Will he give us some comparative data? What, for example, is the completion rate for apprenticeships in Germany?

Mr. Lammy: The hon. Gentleman will know that Germany has a long-standing position on apprenticeships relative to the rest of the world. He will also know that we have been building apprenticeships up, given that there were only 75,000 in this country in 1997. He is not comparing like with like, because in the end, apprenticeships depend on investment from the Government and on employers being willing to take them up on that basis. That had not been the case here in the past.

Jim Sheridan: The Minister referred earlier to the BBC. This ambitious plan applies only to England, and not to Scotland. How will that impact on Government Departments, public bodies such as the BBC, and Ministry of Defence establishments in which people wish to apply for an apprenticeship?

Mr. Lammy: I am grateful to my hon. Friend for that question. He will know that we are in constant dialogue on this matter; I have spoken several times to my opposite number in Scotland. This is a devolved issue, but across the UK we can all share the desire to see an increase in the number of apprenticeships. I shall talk later about the fact that there is huge scope to increase apprenticeships in the public sector. That will include the armed services as well as the BBC and others.

Clive Efford (Eltham) (Lab) *rose—*

Mr. Chaytor *rose—*

Mr. Lammy: I should like to make some progress before I give way again.

I should like to put on record the success of our British world skills team in Shizuoka, Japan, just a few weeks ago. We came 11th out of 46, and we won four medals and nine medallions of excellence. I pay tribute to Gary Tuddenham, who won the cabinet-making gold medal for this country. Of course, he was an apprentice. I also recognise that many hon. Members were apprentices, including Mr. Speaker, who was a sheet metal working apprentice. I hope that all hon. Members will support the drive to increase apprenticeships. That should be a cross-party desire.

Apprenticeships contribute to the development of a fairer, more inclusive society. In a fast-changing world, they help people to acquire the skills that will secure a better future for themselves and their children. In that sense, the economic rationale for them is clear. More than that, however, I believe that their ethos contributes strongly to people's personal development. In my maiden speech, I argued that we must invest in people's souls as well as in their skills. Apprenticeships do more than equip people for work; they equip them for life.

To be an apprentice is to be mentored, to learn through real-life experience and to build relationships with those who have something to pass on. Apprenticeships provide the structure, direction and routine that are sometimes missing from the lives of young people. At a time when people worry about the shortage of role models for young people, and about the risk that young men, in particular, will drift into gangs, the positive relationships that an apprenticeship provides can clearly work wonders.

Angela Watkinson (Upminster) (Con): Does the Minister agree that the kind of apprenticeships that he is describing, which are work based and have a mentor with the specific skill that the apprentice is being trained in, are by far the most popular, and the most likely to lead to employment? What percentage of all apprenticeships are work based?

Mr. Lammy: We are talking about an increase of 250,000 apprenticeships at this time, and they are work based. I suspect that behind the hon. Lady's question is the idea of programme apprenticeships, of which there are more than 24,000. Those apprenticeships are important as well, and I would encourage Opposition Members to look carefully at them before condemning them. There is a group of young people who do not yet quite meet the standard necessary to take up an apprenticeship. The opportunity to do a programme

[Mr. Lammy]

apprenticeship for a year, often based in a college, will often enable them to get to a place where they can take up an apprenticeship, so they are worth while. They are not included within our overall figures.

Mr. Hayes: The hon. Gentleman must be straightforward about this. When Professor Alison Fuller gave evidence to the House of Lords inquiry into apprenticeships recently, she said that many apprenticeships had

"zero involvement from the employer".

Was she telling the truth?

Mr. Lammy: As I have said, there are 24,580 programme apprenticeships, which are college based and provide young people with a route into apprenticeships. In that figure is included young apprenticeships—for young people in schools—and pre-apprenticeships, which prepare young people for taking up an apprenticeship. Business and industry are saying that they want to be in schools so that they can expose young people below the age of 16 to those sectors. That is all worth while, notwithstanding our desire to grow apprenticeships.

Mr. Chaytor: On the question of popularity, I should like to tell the House that young people in my constituency have benefited from a 95 per cent. increase in the number of apprenticeships in the past 12 months. That is very significant; it is one of the highest rates in the country. Does the Minister think that there might be a role for apprenticeships in dealing with some of the issues that we have just been considering in the statement on the future of Remploy factories? Will he comment on the possibility of providing apprenticeships for some of the younger disabled people who are currently working in Remploy factories? Also, does he think that the present rate of take-up of apprenticeships would be as easy to continue if there were no increase in the participation age in education and training to 18 years? The Opposition are arguing for no change—

Mr. Deputy Speaker: Order. Interventions should be short at all times, but especially in topical debates. The Minister's time is being taken up.

Mr. Lammy: I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on that contribution. I share his praise for everyone in the learning and training sector in his constituency for getting the rate up. He is absolutely right: following the Leitch report, my Department and the Department for Work and Pensions have the key job of looking again at employability and skills together. That must include programmes and appropriate apprenticeships for those with disabilities, and we will continue to do that. If I may, I will answer his last question later in my speech.

Mr. Denis Murphy (Wansbeck) (Lab): I went through an apprenticeship scheme in the 1960s, along with 250 other colleagues. We were there to supply fitters, electricians, blacksmiths and welders to the mines of south-east Northumberland. Before we even set foot in the workplace, we had a year's full-time education and training. That is a good model to continue for the future.

Mr. Lammy: Absolutely. My hon. Friend makes the case better than anyone for the benefit of vocational training in schools as well as in the workplace.

Alongside the new diplomas, apprenticeships will give a real quality choice for young people and adults who want to learn. Whether they are taking a full-time diploma in college or an apprenticeship while at work, the future of vocational learning is, on that basis, a bright one. Apprenticeships will make a major contribution when we raise the school and training leaving age to 18 so that all young people can stay in education and training and work towards gaining the skills they need to progress into either higher education or employment.

In July we published "World Class Skills," setting out how we plan to improve the skills of our people in order to compete successfully in the world economy. Apprenticeships are a major part of our strategy and we are committed to providing 400,000 apprenticeship places in England as our contribution to the overall aim of having 500,000 apprenticeships in the UK by 2020.

Nia Griffith (Llanelli) (Lab): Does my hon. Friend agree that in order to fill our skills gap, we need to take very seriously the potential of young women in our society? What concrete steps will he take, together with his colleagues in the Department for Children, Schools and Families, to ensure that all our careers advisers and those in a position to offer advice to young people offer a full range of opportunities, particularly to young women, and to encourage them to think about taking apprenticeships in areas that they would not traditionally consider as suitable for them?

Mr. Lammy: I am very grateful to my hon. Friend for that contribution. She is right that if young people are to take up apprenticeships, they need the right advice and guidance in schools. Legislation published today and the forthcoming education and skills Bill show that we—along with Connexions and independent advice and guidance counsellors—are trying to ensure that there is a standard across the country and that women in particular can gain access to that advice. I would also say to my hon. Friend that it is important that our sector skills councils are there, driving this agenda in their respective sectors. I was very pleased to see that Construction Skills is absolutely determined through its sector skill agreement to see more women take up opportunities in construction. We are seeing more women coming forward in that sector, although often a bit later, which is why adult apprenticeships are so important in order to allow people to take up those opportunities. That issue cuts to the heart of the apprenticeship review.

Mr. John Redwood (Wokingham) (Con): What are the Government going to do about the fact that many young people do not have the necessary English and maths even to achieve a level 2 apprenticeship qualification?

Mr. Lammy: The right hon. Gentleman will know that a key component of apprenticeships is basic skills within the context of apprenticeships. We also hope to come forward with plans to develop functional skills within the context of our review, so that we can continue to develop skills in vocational training, whether it be through the diploma or apprenticeships.

There are currently around 250,000 apprentices. When we came to power, the figure had dropped alarmingly to barely 75,000. The country's proud tradition of apprenticeship had almost been wiped out by the previous Government; we were determined to reverse that, and we have done so. More than 130,000 employers already offer apprenticeships. We have also had great success in increasing the quality of apprenticeships.

Clive Efford: Talking about the opportunities for employers to participate in providing more apprenticeships, does the Minister agree that one measure of the success of developing sites for the Olympics, for the Thames Gateway and for many other regeneration programmes will be the number of apprenticeship opportunities created by them and how they add to the skills base of this country's work force?

Mr. Lammy: My hon. Friend is absolutely right. I was at the Olympic site a few months ago and was pleased to be able to announce an extra £5 million from the Learning and Skills Council precisely to ensure that young people and adults can secure apprenticeships and benefit from the need to acquire the necessary skills in their particular areas. Indeed, I met some young people who had gained apprenticeships in carpentry and joinery in preparation for the Olympics. My hon. Friend has thus raised a very good point. We also needed to improve the quality of apprenticeships, which we have done by ensuring quality inspection and by seeing poorer providers moved out of the system.

The comprehensive spending review has provided us with more funds to invest in apprenticeships. The total funding for adult skills and apprenticeships will rise to a record £5.3 billion a year by 2011. The Learning and Skills Council budget for the next three years has set aside enough funds to increase the number of apprenticeships in England in line with what the Prime Minister has said.

Adam Afriyie (Windsor) (Con) *rose—*

Mr. Lammy: I am not giving way because I am running out of time.

Increasing the number of apprenticeships will not be an easy task. To give just one example, in London alone, despite the cohort of 100,000 young people, there are only about 5,000 apprenticeships. Indeed north London, which includes my own constituency, has the lowest proportion of apprenticeships in the country. We have set up a review in order to meet employers' needs, to look again at the bureaucracy associated with apprenticeships and to assess important issues of equality and diversity as apprenticeships are taken forward. My right hon. Friend the Prime Minister has already set out the fact that we need a matching service; following pilots, we will bring it forward.

The essential key to our ambition is to grow the number of apprenticeships—not just for the sake of charity, but because it is beneficial to the country, beneficial to business, beneficial to the young people who take up these opportunities and because it goes to the heart of what community is. It is all about passing learning and skills on to the next generation so that we can be a powerhouse in the world into the future.

Mr. Deputy Speaker: Before I call the next speaker, I remind the House of the tight rules that apply to Front-Bench speeches. They have one minute added for every intervention up to 10 or up to six in the case of the Liberal Democrat spokesman. If Back Benchers take all those opportunities, they will be reducing the number of Members who can speak in the debate by about three.

1.47 pm

Mr. John Hayes (South Holland and The Deepings) (Con): It is for that reason, Mr. Deputy Speaker, that I will not take many interventions, as I do not want to deprive Back Benchers of their chance to speak.

We welcome the Government's announcement of a draft Bill on apprenticeships in this parliamentary Session. Frankly, however, if the Prime Minister were serving an apprenticeship on leadership, the report on his progress so far would suggest that he had neither the aptitude nor the skills for the job. Nevertheless, we support the aspiration of increasing the number of apprentices in training, but let us be clear that these announcements follow 10 years of the Government's failing to develop an attractive pathway for vocational learning.

I have to say that we have heard so much of all these aspirations before. Back in 1997, the then Chancellor of the Exchequer talked about the significance and importance of apprenticeships. In his 1998 Budget speech, he said that he needed to deal with the skills shortages that were holding back our economy. He said much the same in 1999—that we needed to make a "quantum leap" in skills. In 2001, he spoke again of our duty to invest in skills—and so on and so forth. Yet, as the Government's own report on skills, commissioned by the then Chancellor and completed by Lord Leitch, said, after 10 years of Labour Government, Britain is suffering from a fundamental skills shortage—some would call it a skills crisis—which is having a dramatic effect on our competitiveness.

Kelvin Hopkins (Luton, North) (Lab) *rose—*

Mr. Swayne *rose—*

Mr. Hayes: I give way to my hon. Friend the Member for New Forest, West (Mr. Swayne), who is a very important man.

Mr. Swayne: That is very kind. I think I am right in saying that there are sectors and age ranges where the drop-out rate is as high as 60 per cent. Does my hon. Friend believe that we could deal with it if we were much more rigorous about what constituted an apprenticeship and what accreditation was provided or might not that start to constrain some of the available opportunities?

Mr. Hayes: My hon. Friend, with his usual perspicacity, has hit on the very nub of the weakness in the Minister's argument. He is right in two respects. The Minister shakes his head, but he is wrong to do so. He knows that completion rates in, for instance, retail and health care are well below average: indeed, fewer than 50 per cent. of apprentices in those areas complete their apprenticeships.

[Mr. Hayes]

My hon. Friend is also right in suggesting that what the Government have done over those 10 years is re-badge a whole batch of training which, while worth while of its kind, is not what most people regard as an apprenticeship. In the eyes of most members of the public and, indeed, most Members of Parliament, an apprentice is an eager young learner acquiring, at the side of an experienced craftsman, a key competence that is likely to increase his or her employability and to fill a market need. Sadly, many apprenticeships do not now meet that definition, as I shall explain in my short but stimulating peroration.

Mr. Redwood: Will my hon. Friend give way?

Mr. Hayes: I will give way once more.

Mr. Redwood: I am grateful to my hon. Friend for his very good definition of apprenticeship. Could he find any models of master-craftsman Ministers in the Government to whom all the struggling Ministers could look? I am rather challenged to think who might fulfil that role.

Mr. Hayes: I do not want to digress, but I think that most of the mentors might be drawn from the ranks of former senior Ministers on our side of the Chamber, although I do not want to flatter my right hon. Friend unduly.

Kelvin Hopkins *rose—*

Mr. Hayes: Out of fairness and for the sake of equity, I will give way to the hon. Gentleman.

Kelvin Hopkins: I am most grateful.

I am pleased that the hon. Gentleman is taking an historical perspective. Does he agree that one of the reasons why there was such a serious decline in training and apprenticeships is the massive de-industrialisation that took place during the Conservative years, along with the widespread privatisation of the public sector, which used to provide tens of thousands of apprenticeships for our people? Does he also agree that we can now expand the public sector and develop direct employment as a basis for further training and apprenticeships in the future?

Mr. Hayes: The hon. Gentleman has a noble record of concern and knowledge in this field. I know that he is committed to the principle of apprenticeships that teach and test real competences, but I have no intention of debating the ancient history which I know is his preoccupation. What can be truthfully said is that Governments of all political persuasions, and parties in this Chamber of all colours, have a key responsibility to ensure that those young people and others who engage in apprenticeships study matters that increase their employability. That should be the acid test of apprenticeships. When someone signs up as an apprentice, the least that we owe that person is to ensure that when he or she has completed the course successfully, he or she will be employable. If we do not do so we shall be cheating apprentices, and cheating employers as well.

Mr. Peter Bone (Wellingborough) (Con): I am sorry that my hon. Friend did not return to the past, because I am, perhaps, one of the few people in the Chamber who have taken people on and given them what I think we would call an apprenticeship. The key to it was that they worked in the business, went away for professional training, and were given a job at the end of it. Some actually became directors of my company. That is what apprenticeship is about: it is not about some fuzzy training that does not involve any part in the business.

Mr. Hayes: I too was a business man, although altogether less distinguished than my hon. Friend. Like him, I found that training of that kind was both efficacious for business and right for the people being trained. It gives people a sense of accomplishment based on the recognition that they have gained something of use in terms of their future employability.

When I embarked on my description of apprenticeships, the Minister began to look disappointed. I do not want to disappoint him in turn, but he is not half as disappointed as the young people aged between 16 and 24—more than a million of them—who are not in education, employment or training, and he is not half as disappointed as those of us here, in all parties, who regard the fact that that number has grown by 15 per cent. since his party came to office as one of the biggest indictments of the Government over the past 10 years. So many shattered dreams; so many broken lives. Reducing the number of NEETs depends on making training more attractive to both potential learners and potential employers.

Mr. Lammy: I do not want to make what I think should be a cross-party debate too partisan, but I remind the hon. Gentleman that we have reduced long-term unemployment and scrapped the youth training scheme which left many of my contemporaries on the dole for months and years on end. I would add that rounding up the figures to include students on gap years does the hon. Gentleman's case little service.

Mr. Hayes: The Minister really must learn to be more precise about numbers. The 15 per cent. figure that I gave is based on exactly the same measurement as was used in 1997. It included gap-year students then, and it includes them now. It is true that not every single one of those NEETs is a hapless and helpless young person desperately seeking a job or training, but I estimate that a very large proportion of those 1 million young people fall into that category, and that is not good enough. It is not good enough for the Government, and it is not good enough for the House. We all have a responsibility, and I share the view that this is something that we should all take very seriously indeed.

Angela Watkinson: My hon. Friend has spoken of the skills crisis. Has he thought about the fact that a number of skills—particularly creative skills such as thatching and gold-leaf signage—are in danger of dying out? He will recall that when York Minster burnt down, the whole country had to be scoured to find enough stonemasons and wood-carvers. Those may be creative skills that do not occur to some young people, but could be offered to them at careers advice level.

Mr. Hayes: My hon. Friend has heard me speak many times about the need to elevate craft, and to recognise that the accomplishments delivered through

the acquisition of craft skills are not only important in terms of the difference that they make to individual lives but important to all our lives, for the very reasons that she gave. I hope that—in the non-partisan way that the Minister described—the debate will stimulate a real recognition of the significance and value of craft: the beginning of an understanding that it is not only academic prowess that matters, and that for millions of individual Britons, and for the whole of Britain, craft skills count.

We fear that imposing a target of the kind described by the Minister for the number of apprenticeships—a target that owes more to the desire to make a political impact than to the measurement of economic need—will cause apprenticeship numbers to grow at the expense of quality. Moreover, we fear that that has been the case over the past 10 years. Earlier I defined most people's understanding of an apprenticeship as the teaching and testing of real craft competences, but the reality has become very different. Many apprenticeships are virtual affairs. As the adult learning inspectorate warned in its final days—and in the light of its warning, it is perhaps no surprise that it was abolished—

"some apprentices can potentially achieve the full requirements of the apprenticeship framework without having to set foot in a workplace".

I have already mentioned the evidence given to the inquiry carried out recently by the House of Lords, which suggested that many apprenticeships featured

"zero involvement from the employer".

The inquiry was also told that in reality apprenticeships could mean simulated work-based provision rather than training in a real workplace. The Government may claim that the number of apprenticeships has increased since 1997, but, as the House of Lords inquiry reported,

"most of this increase has been as a result of converting government-supported programmes of work-based learning into apprenticeship."

All that training is below level 3—the accepted level of apprenticeship before 1997—and the reality is that much has been a glorified rebranding exercise.

That is not to say that some—much, indeed—of this training does not have value. I acknowledge what the Under-Secretary said: it might be good—or virtuous, even—to provide training that allows people, particularly NEETs, to gain their first experience of such education and to return to learning. After all, many such people have been cheated the first time round, because of the paucity of their experience at school.

As the Minister for Schools and Learners is present, we should, perhaps, remind him yet again that according to written parliamentary answers more than 40,000 young people a year leave school functionally illiterate and/or innumerate. If that remains the case, it will be unsurprising if many drift into unemployment. The fact that the Under-Secretary claimed in response to an earlier intervention that one of the purposes of apprenticeships is to provide basic skills is proof that apprenticeships have been re-branded. That is nothing like the original concept of apprenticeship—which I should add, for the Under-Secretary's benefit, is rooted in our past as well as Germany's.

Mr. Lammy: Just for the record, it is important that the hon. Gentleman recognises that what I said was that basic skills are a component of all apprenticeships.

Mr. Hayes: Yes, but the Under-Secretary must not give the impression that that is the place where most people should acquire their basic skills. I have two small sons—both of them are lovely and, to be frank, I would rather be with them now than here in the Chamber. I would be furious if either of them could not learn to read, write and count by the time they left primary school, still less secondary school. Barring very special conditions or special needs, no child should leave school at 16 functionally illiterate and innumerate. The acquisition of those skills at school should be the entitlement of every parent and child.

The Minister for Schools and Learners (Jim Knight) *rose—*

Mr. Hayes: The Minister knows that very well, and I shall give way to him.

Jim Knight: May I ask the hon. Gentleman how furious he was in 1997, when 100,000 fewer children were leaving primary school with the required level of literacy and numeracy?

Mr. Hayes: I can remember very little from 1997, apart from the triumphant victory the Conservatives achieved in South Holland and The Deepings.

To call training that is not a legitimate or real apprenticeship by that name risks diluting the brand—a brand which, as the Under-Secretary said, is universally respected and understood. To do so is not fair to employers and cheats learners.

Mr. Redwood: My hon. Friend is making a good point about how apprenticeships should not primarily be about remedial teaching of English and maths skills. Is it not the case that because they are going that way, we now have more level 2 and fewer level 3 apprenticeships, whereas we need more at level 3?

Mr. Hayes: I am coming on to that very point, and I am grateful to my right hon. Friend for reminding me that I need to do so swiftly.

As has been implied, the problems I refer to have been exacerbated by the programme-led apprenticeships that were introduced in 2003, which enable apprentices to begin their training at a college or training provider even though they have yet to secure a work placement. A survey by the adult learning inspectorate found that colleges were to told to rebrand learners as apprentices simply because they were working towards qualifications which were also part of the apprenticeship framework. Overnight, the number of apprentices increased by more than 30,000, yet only 3,000 of them actually progressed to a full apprenticeship with a work placement. That was sleight of hand, and it diverted attention from a fact that has been raised: fewer people are currently studying for traditional work-based apprenticeships at level 3 than when Labour came to power.

The Government's own figures—*[Interruption.]* It appears that the Under-Secretary is looking aside for guidance from his officials. I suspect, however, that he knows very well that the Office for National Statistics figures—I am happy to give them to him before the wind-up, if he wishes—show that the number of level 3 apprenticeships has fallen by 34,000 since the turn of

[Mr. Hayes]

the decade. A graph in a House of Lords report—*[Interruption]*—which my hon. Friend the Member for Windsor (Adam Afriyie) has to hand, confirms those data, and it is neither fair nor reasonable to pretend that the growth in level 2 numbers compensates for that fundamental weakness at level 3. Lord Leitch identified it in his comprehensive report, the House of Lords report identified it, and the Government's own answers to written questions confirm it.

Mr. Chaytor: Is it not manifestly obvious that some of the people who some years ago would have been doing an apprenticeship are now going on to university, which indicates rising levels of achievement? Secondly, how does the hon. Gentleman expect to get more people in apprenticeships at level 3 without boosting the number on apprenticeships at level 2?

Mr. Hayes: The hon. Gentleman is trying to help his Front-Bench colleague, but I do not think that that is the argument that the Under-Secretary was making.

Mr. Lammy: I think that the hon. Gentleman would confirm that there were 75,000 apprenticeships in 1997. I can tell him that there are now more than 98,000 level 3 apprenticeships. It is axiomatic that there are more level 3 apprenticeships under this Government than there were under the previous Administration.

Mr. Hayes: Well, the Under-Secretary can trade figures with me, but I have to hand the figures for the last year for which reliable data are available, from the House of Lords report published earlier this year. They show a steady decline in the number of level 3 apprenticeships since 2000. I am happy to let the Under-Secretary have these figures, and he can examine them before he sums up the debate.

The truth of the matter is that the Under-Secretary knows in his heart that there has been a trade-off between level 2 and level 3 training. The lack of employer engagement and the different degrees of genuine practical experience help to account for vastly different outcomes between Britain and other countries with established apprenticeship systems.

I mentioned earlier that Germany had a higher completion rate. The figure that the Under-Secretary was reluctant to give us is that in Germany 79 per cent. of apprentices complete their training. In countries such as Germany and the Netherlands, offers of apprenticeships enable individual firms to signal skills needs to young people—

Mr. Deputy Speaker: Order. I call Mr. Robert Flello.

2.7 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): In view of the number of Members wishing to speak in the debate, I will endeavour to keep my remarks much briefer than the 10 minutes allocated to me.

Let me first highlight the relevance and topicality of apprenticeships. Hardly a single conversation passes between me and my constituents about the regeneration work in, and needs of, Stoke-on-Trent without the issue of apprentices being mentioned. This is an extremely important debate, and I am delighted to be taking part in it.

I was saddened and disappointed by the contribution of the hon. Member for South Holland and The Deepings (Mr. Hayes). I feel very sorry for the almost 2,000 young people in Stoke-on-Trent alone who have completed their apprenticeships over the past four years. To listen to Opposition Members, one would think that they were worth nothing. I resent that on behalf of those young people, because I think those qualifications are extremely valuable, and I look forward to their having fantastic careers and futures.

There is a huge opportunity for my constituency, the wider city of Stoke-on-Trent and north Staffordshire, and I am delighted that my Front-Bench colleagues are taking through the proposals to widen and expand the scope for apprenticeships. Whether in construction or IT, health care or new growth areas—such as those that are climate change-related, or to do with new technologies or logistics, which is a strong and growing sector in north Staffordshire—there are great opportunities for young people to get involved and learn many skills that will be of practical use to them in future. To take one example, the logistics industry makes use of a wide range of skills, from those of an HGV driver to those of a picker/packer.

Many young people tell me that they have paper qualifications but they really need practical experience. That is why apprenticeships are so valuable in providing opportunities. Much comment has been made about the need to bring in workers from other countries to take some highly skilled jobs, and it is incumbent on the Government and on employers to ensure that home-grown talent is trained and given every opportunity to take up such jobs. We need to embrace workers who come to contribute their skills to this country, but that must be alongside the utilisation of the potential and skills of our young people.

One of the barriers to apprenticeships is the size of some businesses. For example, many of the firms involved in construction in Stoke-on-Trent are one-man operations—I use the term advisedly because most of them are exactly that.

Mr. Jim McGovern (Dundee, West) (Lab): I should declare an interest in that I served an apprenticeship in the construction industry. Does my hon. Friend agree that the massive skills gap in the construction industry was caused in large part by the Government encouraging construction industry tradesmen to become self-employed on 714 or SE60 certificates in the 1980s and 1990s? That meant that there was no longer any incentive, or indeed finance, to take on apprentices.

Mr. Flello: My hon. Friend makes a good point. The "white van man" phenomenon and self-employment were good in terms of ensuring that we have an enterprise culture, but it is difficult for such small businesses to offer apprenticeships to young people. I urge my hon. Friend the Minister to continue to pay close attention to these matters. I hope that he will ensure that those very small firms get the support—and, where necessary, financial help—to enable them to give young people opportunities to learn crucial skills.

The need for such skills is evident in north Staffordshire. Thanks to the Government, a new hospital is being built in Stoke-on-Trent. We are having a few difficulties with the building schools for the future programme at the moment, but I hope that we will soon see some brand new schools and the refurbishment of existing schools, as part of that £200 million programme. A brand new oncology department and maternity unit are also being built in the area.

We are also one of the nine housing market renewal pathfinder areas, and the renew programme has already brought £67.5 million of Government-backed money into north Staffordshire. That investment has levered in many millions more in additional private sector funding to rebuild and refurbish houses in the area. In the construction industry alone, many job opportunities are being created and it is important that they give rise to apprenticeships, so that young people can get involved and make a fantastic contribution to their communities—where they will be able to see the fruits of their labour—as well as learning valuable skills for the future.

I apologise to other employers in Stoke-on-Trent about whom I will not have a chance to speak, but the developer at Weston Heights—formerly known as Coalville—has engaged local young people on apprenticeships, and it is fantastic to see them engaged in building their own communities. That is to be celebrated.

I hope that when my hon. Friend winds up, he will talk about pay for apprenticeships. The hon. Member for South Holland and The Deepings mentioned "ancient history", and it is amazing how anything that happened more than 10 years ago is given that description. Under previous Administrations, young people on apprenticeships were often glorified tea-boys and girls, and paid accordingly. The national minimum wage certainly did not exist.

We need to persuade business to take on apprentices, not to force them. It is important to take the business community with us, and most of it does see the value in apprentices. However, we should perhaps apply a little force when the Government are letting contracts, when it should be a condition that local people be offered apprenticeships and given the opportunity to make a contribution. The contracts should include minimum numbers for such jobs.

Mr. Redwood: Will the hon. Gentleman give way?

Mr. Flello: No, because time is ticking on—

Mr. Redwood: You get injury time.

Mr. Flello: Indeed, but colleagues would suffer injury if I were to give way and thus take longer than appropriate.

I mentioned the importance of apprenticeships in providing experience to add to the skills gained in education. Given the Government's intention to increase the leaving age for education—in its widest sense—to 18, it is important to have a wide range of opportunities in place, so that young people have a choice post-16. NEETs have been mentioned, and apprenticeships must be at the heart of the opportunities offered to young people.

Under this Government, apprenticeships have flourished, are flourishing and, I hope, will flourish. It is a great shame that the Opposition have missed the opportunity to support and applaud the Government's work in overturning the previous paucity of provision. We should all get behind these proposals.

2.17 pm

Mark Williams (Ceredigion) (LD): I apologise for the absence of my hon. Friend the Member for Brent, East (Sarah Teather), but it is a genuine pleasure to me to take part in the debate. I hope that my first opportunity to speak from the Front Bench on this issue will be a positive experience. I shall stick to the remit of the future prospects for apprenticeships in England. There are concerns, and as a representative of an Opposition party, I shall voice those concerns, but I hope to do so constructively, because it is important—as the hon. Member for Stoke-on-Trent, South (Mr. Flello) said—to send a strong message on this issue.

As a representative of a Welsh constituency, I realise that this is an English debate, although 100,000 of the 500,000 Government target will presumably be Welsh or Scottish apprenticeships. I look forward to hearing what the Minister has to say about his liaison with the devolved Administrations, especially in Wales.

I do not doubt the target or the need, but I wish to raise some practical concerns. First, and fundamental, is the need to get employers positively engaged in apprenticeships and other work-based training. In a written answer to my hon. Friend the Member for Brent, East, it was revealed that there are 1 million businesses with one or more employees in England, but only 130,000 employers actively participate in the scheme. That needs to increase dramatically. I am reminded that the hon. Member for Banbury (Tony Baldry) asked the Minister last week who would be responsible for selling the need for apprenticeships to small and medium-sized enterprises.

That is a crucial issue. At present, only 13 per cent. of businesses are involved in apprenticeships, and there is a particular need to consider small businesses. Yesterday, there was a debate in Westminster Hall about further education in south Yorkshire. In that region, there is a shortfall of suitably sized businesses. Like many of my colleagues, I represent a rural constituency. How are we to involve companies in those areas? There are particular challenges in rural areas.

Funding for apprenticeships for the over-25s is significantly lower than for the under-19s. Leitch said that 70 per cent. of the 2020 work force will already have completed their compulsory education, so there is a pressing need for reskilling and upskilling—not only for young people, but for people who need to re-engage with new skills. We need to look into the message the funding regime sends people who have already fallen through cracks in the education system. They need to be confidently involved, which is why independent careers advice is so important for them.

After the last big expansion of the apprenticeship programme, completion rates fell. In 2001-02 they went down to 24 per cent., although they have significantly increased since. I applaud the increase but there is still a long way to go, and it requires proper active engagement with employers.

Mr. Redwood: I am grateful to the hon. Gentleman for giving way. Can he explain, in the Liberal view, what should be the role of regional government in England in apprenticeship schemes?

Mark Williams: I was about to refer to regionalism. Not just regional government but local government has a responsibility in these matters. There is a case for local and regional government to be more involved; they offer apprenticeships to 14 to 19-year-olds, and such schemes should be expanded so that we can build on some of the recommendations in the Lyons report about moulding educational programmes to local need, which is important.

Mr. Jim Cunningham (Coventry, South) (Lab): Does the hon. Gentleman recall that under the previous Government there were no apprenticeships, except in local government? The trade union movement undertook massive agitation for the reinstatement of apprenticeships.

Mark Williams: I am grateful to the hon. Gentleman for that observation, which relates to a general point about public sector participation. When the Prime Minister made his speech in October, he talked of the need for more apprenticeships in the public sector—in local authorities, in the health service, in Whitehall, perhaps even in this place. We could follow the model of the Ministry of Defence, which has had some success in that regard.

New apprenticeships need to be more employer-based. I take the Minister's point about people who may be struggling to reach a level 3 apprenticeship. As a former teacher, I am sensitive to the need to remember that apprenticeship is an individualised process. We sometimes get embroiled in an array of targets, but we are talking about individual people, so an individualised approach to learning and apprenticeships is fundamental. I will not lament programme-based apprenticeships, because the future has to lie with employer-based schemes, and we look forward to them.

Some points have been raised by charities. In light of the plans of the Department for Work and Pensions to get people off incapacity benefit, Barnardo's pointed out that we need to help people with disabilities to take up supported apprenticeships. That is a resonant point in view of the statement we heard earlier. The hon. Member for Llanelli (Nia Griffith), who is no longer in the Chamber, made the important point that we need to debunk some of the stereotypes about women in apprenticeships.

Angela Watkinson: Does the hon. Gentleman share my concern that in some areas of employment, notably retail, hospitality and the service industry, which seem to attract more women as employees, there is often no wage benefit after someone has completed an apprenticeship?

Mark Williams: I cannot go into great detail on that point, but I very much concur with what the hon. Lady says.

In the Prime Minister's speech on 31 October he announced a UCAS-style matching scheme. That proposal gets to the nub of the challenge facing the Government and all parties. Such a scheme would match young people with apprenticeships in every area, which is a huge challenge given the realm of sectors involved. The Association of Colleges has cited some sectors, such as electrical installation and telecoms, where if that matching process is to be a reality a huge amount of work will have to be undertaken to engage employers. We heard earlier, and during questions last week, about the challenges facing the building sector.

Demand for apprenticeships outstrips supply by a factor of 10, so if the UCAS-style model is to be valid for young people, there must be some equity. I look forward to hearing from the Minister how we can sell these ideas. In a Westminster Hall debate, I referred to the need to sell the idea of apprenticeships to employers and schools. It is a huge agenda. Who will be responsible for it? Will it be the Learning and Skills Council or local government? It is essential that we get the message across.

I offer the House an example of a pioneering scheme from my constituency. Llwyn yr Eos school in Penparcau near Aberystwyth has established a young artisans club—children aged between seven and nine are involved in simple carpentry and joinery work. If we can do something like that for youngsters of that age, we have to achieve it further along the education system.

I am positive, but I am sceptical about targets. We need to see the substance that will result from the review in January and the Bill. The Liberal Democrats look forward with some enthusiasm to taking part in that debate—not uncritically, but recognising that it is fundamental if the targets identified by Leitch are to be realised.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. We have 30 minutes left, which will allow only three speakers if everyone sticks to the 10-minute rule. I do not want to micro-manage the debate any further, so I hope that Members will recognise the fact that others want to make a contribution.

2.27 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): Thank you, Mr. Deputy Speaker. Conscious of your comments, I shall try to stick to five minutes to enable my colleagues to contribute.

I am lucky enough to represent the city in which I was born and brought up—a city dominated by the naval dockyard, which has provided high-quality skilled jobs for Portsmouth people for centuries. I remember as a child seeing traffic coming to a standstill at outmuster time as thousands of dockyard workers exited the gates on their bicycles. When I was at school, the pinnacle of every young lad's ambition—it was overwhelmingly lads—was to pass the dockyard entrance exam, get their apprenticeship and learn their trade, secure in the knowledge that with those skills they would be set up for life. As a result, Portsmouth did not have a large culture of going on to higher academic education.

Unfortunately, during the 1980s and 1990s—those long, depressing years of Tory rule, when the economy foundered and public funding was cut relentlessly—slowly but surely those apprenticeships died out. The dockyard was run down and later generations had no opportunity to learn a trade. As there was no family history of higher education, young people left school at 16 to be dumped on the scrapheap of the dole queue with no prospect of work, so more children were brought up living in poverty with neither parent in work.

It is no wonder that in my constituency, when this Government took office in 1997, there was generational unemployment, lack of aspiration, poor educational results and poor health. Like me, the people of my constituency have not forgotten who was responsible, even though the Conservatives have reinvented themselves and seem to have selective memories. It is important to remember that we cannot solve 18 years of neglect overnight. Two generations of unemployment, poverty and lack of aspiration take a long time to turn around.

In the past 10 years, Labour's massive investment in public services has delivered real improvements. In Portsmouth, we have seen huge improvements in educational attainment since 1997. Back then, only 25 per cent. of young people got five good GCSEs. We have now doubled that to 50 per cent., but that is not good enough because it means that half our young people are still missing out. The issue is not just about qualifications; it is about boosting confidence and self-esteem so that young people believe that they can achieve, and can go on to further and higher education.

I wholeheartedly support raising the education participation age to 18 and I am saddened, but not entirely surprised, that the Conservative party opposes our plans. The Conservatives did nothing to raise aspirations for ordinary working class kids when they were in power, so why should they be any different now? Raising the education participation age to 18 is not about forcing young people to stay on at school. Training is the key word. Building on the Leitch review of skills, we are not simply saying that all young people must continue studying academically for another two years. I want vocational skills to be accorded the same respect as academic skills, and I want those skills to be nurtured in a proper training workplace environment, as part of a modern, structured apprenticeship. Apprenticeships can be a route to high-level professional skills. For example, the Association of Accounting Technicians offers a vocational route to entry into professional accounting qualifications.

Ms Dari Taylor (Stockton, South) (Lab): Will my hon. Friend give way?

Sarah McCarthy-Fry: I am concerned about others having time to make speeches, but given that my hon. Friend probably will not get to make a speech, I shall give way.

Ms Dari Taylor: I am most grateful. My hon. Friend is talking about the way in which training should take place. Will she acknowledge that, for the chemical process industry, a general science GCSE is not acceptable? We have to teach physics, chemistry and maths if we are to have apprentices with the qualities that the industry requires.

Sarah McCarthy-Fry: I thank my hon. Friend for that intervention. The teaching of science is important. If people do not get those science qualifications, they will not have the skills to compete in the global marketplace. We have to look at how those subjects are being taught in schools, to make them relevant and to get young people interested in science-based subjects at a much earlier age.

We have to harness talent and work towards developing world-class skills. Raising the age at which individuals leave education or training is vital, not just as a message of individual economic prosperity for people, but as a tool of social justice, to ensure that in families that have suffered generations of unemployment, young people have the chance to succeed. It is also good for the British economy. As I said, we face ever-increasing globalisation, and ever-increasing competition from places such as China and the United States, so it is more vital than ever that we have a highly skilled, well-educated work force.

That is also important for the social glue that binds our communities together. A family in which the parents have had access to good quality training and skills, and have aspirations for the future for themselves and their children, is a family in which the parents will be good role models for their children so that generational unemployment is replaced by generational aspiration.

2.33 pm

Mr. Christopher Chope (Christchurch) (Con): I am still slightly bemused as to why this subject was regarded by the Leader of the House as the hot topic of the week. My hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) was on the right lines when he said that perhaps the Government want to point out that the fact that the Prime Minister has had a 10-year apprenticeship does not necessarily mean that he is any good at the job at the end of it. There certainly seems to be evidence that if the current fundraiser for the Labour party had had an apprenticeship, he might have realised that what he was doing, which he thought was lawful, was actually unlawful.

Mr. Simon Burns (West Chelmsford) (Con): May I help my hon. Friend with his confusion about why this subject has been chosen for today's debate? Could the decision relate in any way to the fact that the Prime Minister gave a speech last Monday on climate change, and the hot topic for the debate on the subsequent Thursday was climate change? This Monday, the Prime Minister spoke on skills and apprenticeships, and this Thursday we are debating them.

Mr. Deputy Speaker: Order. May I help both hon. Gentlemen? Such limited time as there is ought to be devoted strictly to the topic that is before the House.

Mr. Chope: Absolutely, Mr. Deputy Speaker. That is why I am going to start off with a dictionary definition of an apprentice, which is very much in tune with what my hon. Friend the Member for South Holland and The Deepings has been saying. The *New Oxford Dictionary of English*, second edition, 2003, defines an apprentice as:

> "A person who is learning a trade from a skilled employer having agreed to work for a fixed period at low wages".

That is what the general public understands by "an apprentice". To be an apprentice is a privilege and a good thing. There are a host of families—thousands of families—who hope that they will be able to get their children into apprenticeships.

The Government, however, have devalued the word "apprentice" so that it is no longer the subject of pride. Indeed, if we allow an apprentice to be regarded as

[Mr. Chope]

somebody who has not even got the basic skills in maths and English, we are in danger of reaching a stage at which a young person who says that they are an apprentice will be looked down on, instead of looked up to, as has traditionally been the case.

Mr. Denis Murphy: Will the hon. Gentleman give way?

Mr. Chope: I will not, because we are all trying to make as much progress as possible.

The Government have devalued the currency of apprenticeships. To force businesses—this is what seems to be in the pipeline—to take on people who do not even have basic elementary skills in maths and English as apprentices will damage the competitiveness of our economy. As my hon. Friend the Member for South Holland and The Deepings said, in 1997, there were 75,000 apprentices. They were genuine apprentices. They had already attained level 2 qualifications and were aspiring to level 3 equivalent qualifications. The comparable figure today is 98,000. Let us compare 75,000 with 98,000.

Mr. Lammy: Does the hon. Gentleman recognise that completion rates in 1997 were poor and that it was important to increase level 2 apprenticeships so that young people could progress to level 3 apprenticeships, as well as to increase level 3 apprenticeships for young people who could move into an advanced apprenticeship straight away? We are talking about both, not either/or.

Mr. Chope: It is obviously important to raise the skills of all our young people. However, I am concerned that the Government have dumbed down the apprenticeship process.

Mr. Hayes: It is important that we button down this point. Despite the Minister's assertions, which are ill judged, it is clear that the number of level 3 apprenticeships has declined since 2000. The truth is that we have traded level 3 for level 2, as my hon. Friend said. That is not fair to learners and it is not right for employers. The Minister should acknowledge that, as I hope my hon. Friend will make clear.

Mr. Chope: My hon. Friend is absolutely right. When the Prime Minister starts citing figures, why does he not compare the 75,000 figure in 1997 with the 98,000 figure now? I concede that there are now more apprenticeships than in 1997. However, between 1997 and 2000, the number rose higher than it is now. Since about 2000, the number of level 3 equivalent apprenticeships has declined. The change is going in the wrong direction.

Adam Afriyie: It is absolutely clear from the figures that the Minister—I am sure that this is not deliberate, or at least I hope so—is not comparing like with like. He compared a figure of 75,000 for 1996-97 with one of more than 250,000 today. However, those figures relate to completely different things, so I hope that he will set the record straight in his winding-up speech.

Mr. Chope: I think that we have done that for the Minister. We have put the spotlight on this issue. We must make it clear that when the Government talk about apprenticeships, they are talking about something of a much lower grade than when the Opposition were in government.

Angela Watkinson: My hon. Friend's comments about maths and English qualifications are absolutely right. Does he agree that an exception could be made for students who have been in special education, who might take a bit longer to acquire necessary skills in an apprenticeship, but could become extremely reliable employees who would not get bored and tend to take days off by pretending to be ill?

Mr. Chope: I am with my hon. Friend absolutely on that. That was why I thought that yesterday's threat by the Prime Minister of imposing minimum wage legislation on apprentices' employers was a damaging development. The dictionary definition of "apprentice" that I cited makes it clear that an implicit aspect of being an apprentice is taking a lower wage to reflect a lack of experience and skills. There is a partnership between an employer and an apprentice under which the apprentice agrees to learn and work on the job, and the employer gives his time freely. Obviously, however, the employer cannot afford to give the apprentice the full wage that he would pay to someone who was fully qualified.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): Will the hon. Gentleman give way?

Mr. Chope: I will not give way again.

In reply to Question 10 during yesterday's Prime Minister's questions, which was asked by the hon. Member for Wrexham (Ian Lucas), the Prime Minister seemed to be saying that he was thinking of extending the minimum wage legislation into the area of apprenticeships. However, that would be extremely damaging to the job prospects of those who aspire to become apprentices.

I am keen to ensure that more people in this country want to take on skills, especially in manufacturing. However, we will not achieve that aim if we start pretending that the role of employers is to prop up the failures of the state education system. About £50,000 of taxpayers' money has been invested in the education of each child leaving school at the age of 16. The Government are now saying that because so much of that money has been wasted on those pupils who have not learned what they should have been learning in school, or have not been taught properly—those who have missed out on their right to learn—we will give another £3,000 per pupil to try to make all the difference post-16. That is not a solution; it is a sticking plaster over a problem that has become much worse under this Government.

Ms Dari Taylor: Will the hon. Gentleman give way?

Mr. Chope: I will not.

We all agree with the concept that apprenticeships are a good thing, but the way in which the Government have redefined them will ultimately prove to be the downfall of proper apprenticeships and will create a

disincentive for people to take on apprenticeships and try to reach the level 3 A-level equivalent. Some people with an aptitude for manual trades might not be able to take academic A-levels, but be able to take on a good apprenticeship, for example in some of the aerospace firms that operate successfully in my constituency. Those firms are looking out for really good-quality applicants to become apprentices, such as people who might have been able to go to university, but choose instead to go into a trade in such a manufacturing industry. Indeed, the firms prefer to take people with the right aptitude and qualities straight from school because they find that those people are able to understand and work on the job to a much greater extent than those who have graduated from university, who are not necessarily so much in touch with reality.

I think that employers in my constituency want good quality placements for apprentices, especially in manufacturing. They do not like the idea of a new Bill that will centralise, control and redefine the concept of apprenticeships, while effectively putting a big burden on employers.

Mr. Hayes: I take on board my hon. Friend's point about micro-management and supply-side measures, but does he acknowledge that it is important to redefine apprenticeships to ensure that they are mentored and workplace-based, and does he agree that it is important that they deliver real competences; that group training associations might be helpful in that regard for smaller businesses; and that we need an all-age career service to advise young people on how to achieve apprenticeships that are in line with their aptitudes?

Mr. Chope: I have no disagreement with the points that my hon. Friend makes.

Let me make a suggestion. I am not sure whether it is yet the policy of my colleagues on the Front Bench, and it is certainly not yet Government policy. Incentivising young people to take apprenticeships is vital, and we know that the level of remuneration is critical to that, but there is no point in forcing employers to pay more than the economic rate; if we do, in the end they will not offer the apprenticeships. My suggestion is that the Government should offer national insurance credits to people in genuine apprenticeships. They would not have to pay national insurance contributions so long as they were in an apprenticeship. Also, people in genuine apprenticeships, particularly level 3 equivalent apprenticeships, should have an additional tax allowance before they have to start paying tax. What those young people are interested in is take-home pay—the money in their pocket at the end of the week. Instead of forcing employers to pay more, through higher wages and imposing the minimum wage, the Government, to help incentivise apprenticeships, should reduce the tax burden on those young people, who are the future of our country.

Finally, I was depressed to read a previous debate in respect of an intervention in which my hon. Friend the Member for South Holland and The Deepings asked whether the taxpayer incentives in apprenticeship schemes should apply only to British citizens. I would have thought that that was vital, because we have limited resources; they should go to British apprentices, rather than to those from foreign countries.

2.46 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): As chairman of the all-party skills group and a member of the Select Committee on Innovation, Universities and Skills, which hopes to scrutinise the apprenticeship reform Bill, I think that today's debate is extremely topical. I am extremely proud of the Government's record and achievements on the subject. Those Opposition Members who came to snipe, not speak, should be ashamed of themselves.

In the brief time available to me, I want to make two or three key points. There has been a lot of discussion in the debate about the nature, structure, and other aspects of apprenticeships. We need to look at the structure of apprenticeships and the progression process; that is clear from research that is being conducted and from the round table discussions held in the House at the beginning of the month, in which the Minister and I took part with a range of people from the sector. The London figures that he quoted amplify that point.

There is no getting away from the fact that completion rates are improving. They have gone from 24 per cent. in 2001 to 62 per cent. today, but we need to look carefully and clearly at whether we need to do something about the structure of apprenticeships, particularly for those people who are coming back to reskill. We have to consider whether a greater combination of on-work activity and apprenticeship activity, and perhaps a modular approach in some cases, will increase completion rates. That is important. It is particularly important for women who are coming back into the sector to reskill, and who may need time out for caring and other duties.

Dr. Blackman-Woods: Does my hon. Friend accept that some apprenticeships are of very good quality? I can give examples from my constituency, where there is an excellent partnership between Durham community business college and a further education college; they have a centre of excellence. Those good quality apprenticeships are responsible for pushing up completion rates from 707 two years ago to more than 1,300 now. That is why we should be supporting and extending apprenticeships.

Mr. Marsden: I completely agree with my hon. Friend, and she makes the point well that the co-operation of universities and others is key to what we need to do. We also need a culture change at an earlier stage in schools, because without the right sort of careers guidance, if the right attitudes are not inculcated in schools and without the involvement of hands-on advisers from businesses and organisations, people will not take up apprenticeships later. This is a whole-school and whole-area option.

In the various announcements that we heard from the Secretary of State on Monday, I was impressed by his focus on an all-age solution. Adult apprenticeships, particularly in the area of re-skilling, where we know there is a demographic gap, are key. We must get that right. We must review advice and guidance. I look forward to seeing how the Government take forward the ambitious ideas for a personal career and advancement scheme.

[Mr. Marsden]

In my constituency in Blackpool, we have a large number of small and medium-sized businesses. The Government's involvement and support are critical, so I welcome the £90 million announced on Monday. My further education college, for example, has a virtual restaurant—it serves food, and for training purposes the structure is exactly the same as that of an ordinary restaurant. That is the sort of on-the-job work that is necessary. If we are to achieve the improvements that we want in Blackpool as part of our regeneration programmes, such an approach is important, as is investment in the public sector. I agree with the suggestion from my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) of a requirement on firms taking public sector contracts. We may need some age-proofing requirements as well.

In conclusion, the debate is timely. It is right that the Government should take the time to examine the structure of apprenticeships and how we define and run them. It is also right that the Government should take no lessons from the Opposition, with honourable exceptions. I would exempt my hon. Friend—he is a friend—the Member for Daventry (Mr. Boswell), who has done sterling work in the all-party group. There is no comparison between the record of the present Government and the record of Opposition. The fact that their spokespeople—the hon. Member for Surrey Heath (Michael Gove), for example—downgrade, snipe at and criticise the vocational measures that we are introducing underlines the point.

2.52 pm

Mr. Lammy: I hope we can agree that the debate has been topical and interesting. I pay tribute to my Lib Dem colleague, the hon. Member for Ceredigion (Mark Williams), and to all my hon. Friends. We are all agreed about the importance of apprenticeships to the country and to young people and their families.

It is a shame that Conservative Members were not prepared to move on from the position that we inherited in 1997, when apprenticeships were at an all-time low and the only offer for young people not able to take up an apprenticeship or go to university was the failed youth training scheme. None of them was prepared to mention that.

I shall deal with some of the points that hon. Members raised. My hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) spoke about small businesses and how we could encourage more of them to offer apprenticeships. He is right to say that our review should examine that point carefully. I was up in Birmingham last week, where the Birmingham electrical training unit is acting as a hub for small businesses in that area and providing apprenticeships in those small businesses. We may well develop that model further.

Ms Dari Taylor: Will my hon. Friend visit the north-east and the north-east chemical industries cluster? Those small industries together produce an excellent training apprenticeship at level 3. It would be a great pleasure for him to visit. More than 90 per cent. of the youngsters who join the scheme end their apprenticeship brilliantly.

Mr. Lammy: The north-east was the first area that I visited in this ministerial post. I am happy to return, particularly following the announcement of the new skills academies for the processing industries in that area.

Mr. Eric Joyce (Falkirk) (Lab): The Minister will not go to Scotland, because it lies outside his remit. However, he will be aware that the Commission for Employment and Skills applies to Scotland. Will he undertake to convey his positive impression of apprenticeships to the Scottish National party Administration, who have put a freeze on apprenticeships?

Mr. Lammy: I am aware of that freeze. I talk to my opposite number in Scotland all the time about skills issues and the benefit of apprenticeships. The Government are not alone in talking about apprenticeships. When the Opposition condemn apprenticeships, they should remember that companies such as British Telecom, British Gas, Tesco, Rolls-Royce, BMW, Ford, BAE Systems and Toyota all support apprenticeships, which are fundamental to this country. Those industries, businesses and companies are testimony to the expansion that we have made.

My hon. Friend the Member for Stoke-on-Trent, South has mentioned pay. Following the apprenticeship review, we will refer the matter to the Low Pay Commission again.

I pay tribute to my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry)—

It being one and a half hours after the commencement of proceedings, the motion lapsed, without Question put, pursuant to Temporary Standing Order (Topical debates).

Common European Asylum System

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to inform the House that Mr. Speaker has selected the amendment in the name of the Leader of the Opposition.

2.56 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I beg to move,

That this House takes note of European Union Document 10516/07, Commission Green Paper on the future Common European Asylum System; notes the continued importance of working collectively on asylum issues with other Member States; further notes the importance of the Dublin II Regulation, the current responsibility mechanism to deal with asylum seekers; and supports the Government's position that proper implementation and a full evaluation of first phase instruments should take place before embarking on a second phase of legislation.

It gives me great pleasure to speak today about the important issue of asylum and how we work with our European partners to make sure that we have a common approach while protecting the UK's interests and sovereignty on that matter. We are here specifically to debate the green gaper published in June this year by the European Commission on the future of the common European asylum system. The green paper invited member states and relevant stakeholders to express their views on the future of European Union asylum work.

The 1997 treaty of Amsterdam and the 1999 Tampere European Council committed member states to establishing minimum standards for asylum procedures and policies across the European Union. A series of asylum directives were subsequently agreed and the procedures directive, the last of those, will be implemented in the UK on 1 December this year.

The implementation of the minimum standards directives has provided the basis for a common approach across Europe. That has helped to tackle asylum shopping, while also allowing member states to reflect their own distinct domestic circumstances.

Keith Vaz (Leicester, East) (Lab): My hon. Friend knows that one way in which we can assist in co-operation between various European countries is to make sure that we deal with asylum cases as speedily and efficiently as possible. I know that she is now the champion at the Home Office for ministerial correspondence. What steps has she taken to ensure that the immigration and nationality directorate deals with asylum cases much more quickly than it has done previously?

Meg Hillier: My right hon. Friend is generous to suggest that I have made progress on that issue in my five months at the Home Office. The Border and Immigration Agency, which was formerly the IND, now has an approach based on dealing with new claims within six months from end to end. On legacy claims, soon caseworkers will be allocated cases, and they will deal with those cases from end to end. We hope that that will speed up both new asylum cases and deal with those who have been waiting for their claims to be assessed. My right hon. Friend is right to acknowledge that that is part of dealing fairly with claims across Europe. The Government have long acknowledged the importance of a Europe-wide approach to asylum and to migration in general. The framework under which we currently operate, which the green paper suggests that we review and assess, helps to reduce the risk of a weak link in the chain of dealing with asylum seekers across Europe. We have an opt-in, which we have chosen not to use on a number of measures. However, our practical work with other member states, particularly some of the newer European Union partners, helps us preserve our strong border controls—a strong tenet of the Government's approach to migration—by strengthening Europe more generally.

The UK has benefited immensely from working with European partners on European and asylum issues.

Kelvin Hopkins (Luton, North) (Lab): I am most interested in my hon. Friend's emphasis on our strong border controls. Are those reflected in other European member states? Do those states take a view similar to ours?

Meg Hillier: We have chosen not to opt into certain Schengen arrangements. We have protected our sovereignty along our borders so that they are strong. We could sum up our policy by saying that we have our own strong borders and that by participating in Europe on certain immigration issues, and in supporting European countries, we effectively have "borders plus" through the strengthening of the wider European border. There is a double ring to make sure that we keep track of who is coming into our country. Next year, we will introduce a points-based system for migrants outside the asylum route and we will be able to count people in and out.

We are here to talk mostly about asylum and the Commission's green paper. Before my hon. Friend the Member for Luton, North (Kelvin Hopkins) intervened, I had been about to give a couple of examples of good co-operation with European partners. One example is our work with the French Government to strengthen our border controls and protections at Calais and other channel ports.

Mr. Jim Cunningham (Coventry, South) (Lab): Does my hon. Friend recall that we had difficulties with the French Government in respect of asylum seekers? Does she think that the position has now been strengthened? Are the relationships getting better or worse?

Meg Hillier: The relationships are considerably better. People from the British Border and Immigration Agency are working across the channel. For example, the passport of someone travelling on a ship or a Eurostar train will be checked on the European side rather than when the person arrives back in the UK.

We have good relationships with our European partners. The framework under which we are operating is working well. We are keen that it should be better evaluated before we take the next steps. Although we are interested in what the green paper says and the questions that it asks—it has a number of those—we feel that it is a bit early to learn the full lessons, although in general we have made considerable progress.

We also learned lessons from Sweden when setting up our gateway resettlement programme for refugees; we are gaining from such cross-country inter-state

[Meg Hillier]

working, some of which is dealt with by the Commission and some of which is dealt with through operational co-operation, outwith the formal structures of the European Union, between states.

More should and could be done at the European level to facilitate such practical engagement; only through the active participation of all member states can we expect to see greater convergence and higher standards. An example of that is our interpreter support service and the identification of lead countries, helping those from some national groups with claims. That allows us, for example, to support countries on the EU border when someone presents for asylum. The UK or another country may have expertise with that national group. Britain and other lead countries provide expertise and interpretation by video link. That is a good example of practical co-operation that has come from the work done by the heads of border agencies across Europe, and it demonstrates that there is more than one way in which we can co-operate across Europe.

Keith Vaz: I am most grateful to my hon. Friend for giving way a second time. Do the Government support the proposal, put forward at the start of The Hague programme, for the creation of a European support officer and office to deal with common asylum issues?

Meg Hillier: That is one of the discussions in the green paper. We will wait to see what the Commission comes up with on that. Realistically, there is not a great deal of time to take major legislation through the European Parliament and processes before the 2009 European elections. When we see what the Commission comes up with, there will have to be discussion about what is feasible and practical. The issue raised by my right hon. Friend is certainly of interest to us.

We are encouraged that the Commission has confirmed that it will undertake a feasibility study of how best to take forward the sort of practical co-operation that I have been talking about. We will actively support measures that encourage that spirit of co-operation without undue bureaucracy. We are also mindful of the need for more to be done outside the borders of the EU. The UK fully supports the EU's regional protection programme, which allows refugees access to protection quickly and close to their countries of origin.

In the UK, we have introduced several measures that have increased the robustness of our asylum process and reduced the number of unfounded asylum claims. Those measures, which include the expansion of our fast-track process—when people arrive, their claim is initially triaged, or assessed, and determined so that they then leave the country or are accepted as refugees within two or three months of their arrival—and the introduction of new offences for passengers who attempt to conceal their identity or their country of origin by deliberately destroying their documents, have reduced asylum applications to the lowest levels since 1992. The annexe to the green paper produced by the Commission provides some of those figures in more detail.

The use of the Eurodac database allows the UK and other EU nations to check the fingerprints of those seeking asylum. In this way we can identify, and have identified, those who have previously made claims in other countries. We have used the Dublin II regulations to good effect to remove people to their country of original claim. Under that mechanism, about 100 people a month have been returned to the member state responsible for considering their claim. It has discouraged multiple claims from individuals looking to play member states off against each other and reinforces the important collective responsibility between member states.

We look forward to the Commission's evaluation of the regional protection programme and to the expansion and further development of the policy, underpinned, of course, by appropriate funding. We are keen to share our experience of resettlement work. The UK is one of the few member states to have a formal resettlement programme. We will continue to be proactive in providing assistance. Through our gateway programme, we have provided space for 500 people a year, and that number will rise to 750. We look to other member states to establish formal programmes through mentoring and shadowing the work within Europe that we are pioneering in the UK. We will assist them in doing that.

The green paper considers the first phase of legislation, some of which I have discussed, and asks what amendments need to be made. In our response, which was submitted at the end of the summer, we made it absolutely clear that we believe it is too early to make those judgments. We stated that a timely evaluation must not be rushed and needs to consider the extent to which the provisions of the minimum standards directives have been adopted within national legislations, how they are operating in practice, and whether they have had the desired outcomes. We believe that it would be unwise to embark on introducing new legislation without a firm understanding of what works and what does not work within the existing instruments. That view is shared by many other member states, by non-governmental organisations such as the United Nations High Commissioner for Refugees, and by the European Scrutiny Committee. The Committee rightly acknowledges that the green paper raises important questions. We in the UK see the current regulations and our opt-in right as "borders plus"—strong UK borders being strengthened, when we use the opt-in, to allow us to work with partners to strengthen the wider EU border, as well as what we do through informal co-operation.

It is important that we keep the best of what the current regulations provide. We are not saying that the review is wrong but that further proposals for legislative changes are premature. However, that is not to say there is no work to be done on reducing the discrepancies that exist between member states, as the Committee's paper rightly acknowledges. Some variance is to be expected, as types of cases received vary across the Union, but, as we know from experience, significant divergences in practices will only encourage secondary movement, whereby someone arrives in a country because they know that it is easier to get into that country through an asylum route, and then moves to the country of their choice at a later date. Common treatment is important.

Mr. Neil Gerrard (Walthamstow) (Lab): My hon. Friend is talking about disparities among different member states. I am concerned about the disparities among rates of recognition of people applying for

asylum in the EU from the same country. Iraq is an example of where there are huge differences in the percentages of claims that are recognised. Does not that need to be addressed, whether in this legislation or through discussions among the member states?

Meg Hillier: As ever, my hon. Friend raises a very pertinent point. It is one of the reasons we are keen to see what the Commission comes out with in its response to the green paper. Although we want UK sovereignty to be preserved, we recognise a common interest in ensuring that the best of what we have is rolled out throughout Europe.

We welcome the publication of the green paper. We will continue to seek to influence developments and will participate in developments, or opt in, if it is in the UK's interest to do so. We look forward to the Commission's proposals being published in early 2008. I reiterate that the Government remain committed to strong UK borders, but we are also keen to ensure that the European border is strong. We will work with the Commission, the European Parliament and our EU partners to ensure that this works.

3.10 pm

Damian Green (Ashford) (Con): I beg to move, To leave out from "seekers" to the end of the Question, and to add instead thereof:

'but recognises that asylum policy, as an essential component in the control of the UK's borders, should remain under the control of the British Government.'.

I listened to the Minister's speech with interest, particularly the first few minutes, when she was dealing with more general immigration policy rather than the document before the House. As gently as possible, I say to her that if she really believes that the current system of immigration control we have in this country amounts to "borders plus", she is the last person left living on fantasy island.

I start by setting out the principles by which we should operate in deciding what is proper with regard to using our membership of the European Union as a way of improving our asylum policy. I shall then move on to some of the problems that we have with the Government's approach and the details of the document before us.

The basis for our asylum policy should be that we do need proper co-operation—indeed, better co-operation—among the member states of the EU because a prosperous and free Europe is inevitably an attractive destination for genuine refugees, whom we all welcome, but also for those who use the asylum system that has been built up since the second world war as a disguise for economic migration or occasionally something worse, such as crime or terrorism.

We all agree that asylum shopping is harmful and that sharing the burden of support for genuine refugees in Europe is sensible. Indeed, I would go further and suggest that sharing some of the burden in combating illegal immigration is sensible, and I suspect that the Minister would agree. Many of us remember last year's crisis, when thousands of west Africans took a dangerous sea voyage to the Canary Islands to get inside the EU. Those poor, wretched people had, in many cases, paid their life savings to people traffickers and many died on the journey. Spain wanted help from us and her other European partners and it was sensible to give it because, to some extent, the borders of the Canary Islands are Britain's borders as well.

We are, therefore, absolutely convinced of the need for intelligent co-operation, and we can accept the principle that anyone arriving at the border of a member state of the EU claiming asylum should be treated in roughly the same way, under the same set of rules. However, it is not sensible to say that the only way we can achieve that is by handing over powers of rule making to the Commission, which is what the document suggests. It is also what the Government are doing, even though anyone who had not followed what they had been doing, but merely went on what the Minister said they had done, would think they were doing something different.

That is the difference between us and the Government on this issue, which is the point of our amendment. Since the treaty of Amsterdam, the EU has had the competence to legislate in this field, but with a British opt-out, or a possibility to opt in—whichever way one wishes to describe it. However, in practice the Government have not chosen to exercise the opt-out on asylum matters, so it has been pointless. The Minister explained that the Government had taken the opportunity to opt out in some immigration matters, in order to preserve the integrity of our borders, as she put it, and they have. But on asylum matters, the Government have always opted in, and I was quite surprised that the Minister did not take the opportunity to explain why they had taken such a radically different approach in those two fields.

Mr. Gerrard: I hope that the hon. Gentleman will tell us the measures that he thinks that the Government should not have done that on.

Damian Green: I shall deal with the details in a second.

I am genuinely puzzled, particularly after having listened to the Minister's speech, by the Government's stance. It is clear from the Government's motion that they recognise that the Commission is trying to take all power in asylum matters and that they think that that is the wrong way to go. The motion states that we should not move to the second phase in which we will have a full "Common European Asylum System". That phrase is at the heart and, indeed, at the start of the EU document, but, unless I missed it, it did not cross the Minister's lips in the course of her speech.

The motion says that proper implementation of the first phase must happen, followed by a full evaluation of the first phase instruments. They clearly do not want to move to a common asylum system, but in the past five years they have not lifted a finger to stop us doing so. Is that a cock-up, or a conspiracy? As so often with the Government, it is hard to tell.

Let us take a look at what the Government have opted into, to address the point made by the hon. Member for Walthamstow (Mr. Gerrard). Directive 2004/83/EC defines minimum standards on qualifications for refugee or other international protection status and sets out the same core criteria for being a refugee as the Geneva convention, which is not a matter of controversy. It also stresses that each application must be determined individually, which prevents the designation of certain countries as safe. The ability to say that a country is safe

[Damian Green]

would at times be found desirable by any Government when operating an asylum policy, so that puts a constraint on Ministers that they might not want.

Mr. Gerrard: I am sure that the hon. Gentleman understands the way the designation works. When we started to apply that in the UK, some of us opposed it. We said that it was not a good idea to say that certain countries were safe because it involved making assumptions about individuals. The Government held to the position that even when a country was designated as safe, individual cases needed to be considered. The fact that a country might be regarded as safe in general terms does not mean that an individual from that country cannot present a good case.

Damian Green: I suspect that we would rapidly get out of order if we pursued the point. The debate would be interesting, and the hon. Gentleman and I simply disagree on that detail. However, it goes beyond the scope of what we are discussing.

Kelvin Hopkins: Let me reinforce the point made by my hon. Friend the Member for Walthamstow (Mr. Gerrard). If, for example, a secularist or leftist is sent back to an Islamist country that is otherwise regarded as safe, is that acceptable?

Damian Green: The only time that it is acceptable to designate a country as safe is when that country is safe. We have had asylum applications in this country during the past few years from citizens of the United States of America. It is patently absurd that our asylum system should spend time and resources on applications from functioning, friendly democracies rather than those from people who come from countries where many citizens are, sadly, in danger. Although it may be more comfortable to say that anyone from anywhere can claim asylum at any time, the practicalities of what has happened to the asylum system over the past few years suggest that that is an unrealistic approach. That is why I take issue with those Labour Members who support the Commission on that matter.

While we are going through the details, I point out that the directive also created a whole new category of people to whom the member states owe a duty of protection above and beyond those categories encompassed by the 1951 refugee convention: those who qualify for what the Commission calls subsidiary protection. Whether that is desirable is another legitimate cause for debate. The directive also goes beyond the convention in respect of the rights that refugees can exercise while they are in this country.

Mr. David Heathcoat-Amory (Wells) (Con): My hon. Friend makes an important point about the current state of our immigration policy. The Government have indeed opted into more than 40 asylum measures, as shown by recent parliamentary answers. We effectively have a European common policy, which greatly restricts our national freedom of action. Is it still my hon. Friend's policy that:

"We will take back powers from Brussels to ensure national control of asylum policy"?

That was our manifesto promise in 2005. Is it still his policy?

Damian Green: The amendment states that it is for the British Government to make such decisions. My right hon. Friend says that we have already lost all powers. That is going too far. Clearly, considerable powers remain in the hands of British Ministers and we want to retain them. That is the point of the amendment, as my right hon. Friend knows.

Stewart Hosie (Dundee, East) (SNP): The hon. Gentleman mentioned subsidiary protection. However, as I understand it, the green paper asks how a single procedure for assessment might work and what uniform protections might be entailed in that, and I am at a loss to find a difference between the Conservative and the Government position. The Minister suggested that she and the Government wanted to ascertain how all the countries' procedures came out in the wash when they were enacted before making a decision. I am struggling to find a difference between the Government's position and that of the Tories.

Damian Green: I understand the hon. Gentleman's confusion as, if he simply listened to the Minister's comments, he would believe that the Government's position was considerably more robust than it is. I am pointing out that, for all the Government's cautious words, in practice, over the past five or six years since the implementation of the treaty of Amsterdam, they have simply gone along with everything and effectively attempted to help set up an entirely centralised one-size-fits-all policy. Although co-operation is sensible and we should answer the questions in the green paper, we should not contract out the ability to make decisions to the Commission. That is the point of our amendment, for which I hope the hon. Gentleman will vote later.

Mr. William Cash (Stone) (Con): I am greatly encouraged by my hon. Friend's comments because the words in the amendment

"should remain under the control of the British Government"

mean just that. The corollary, to follow up the comments of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), is that, although we want to give protection to genuine asylum seekers, many are not genuine, and when difficulties arise we want to ensure that we have our own Westminster legislation so that we control matters, as the amendment suggests.

Damian Green: I am deeply grateful that my hon. Friend supports the amendment—that is a source of unalloyed joy.

Mr. John Gummer (Suffolk, Coastal) (Con): We do not want to have an argument about people's atavistic views of the European Union but to discuss how to achieve our end. The problem with the Government is that we do not trust them on asylum seekers because they have never given us cause to trust them. When the Government are trustworthy, we might go along with them, but, given that they are untrustworthy, we will not go along with them. I wish that some of my hon. Friends would stop trying to bring their views about Europe into a simple issue about asylum seekers.

Damian Green: I am deeply grateful to my right hon. Friend, who is right to say that the discussion is about how we run a fair, firm, humane and civilised asylum system. Proper co-operation on aspects of such a system is essential among the member states of the European Union. As all of them are prosperous democracies—many of the new democracies of central and eastern Europe are becoming increasingly prosperous—they will attract genuine refugees and those who are, frankly, not genuine. However, the desire for that degree of co-operation does not mean that we need to contract out decision making to the European Commission on the measure.

Mr. Heathcoat-Amory: My hon. Friend is making an important speech and his words will be studied. He has already said that we have contracted into 40 or so directives that restrict our freedom of action. Is there not a conflict between that and the amendment, which says that such powers

"should remain under the control of the British Government"?

I should therefore like to ask my hon. Friend whether he thinks the directives that we have opted into are reversible and whether we should reverse those opt-ins where necessary, in order to regain the national powers that the amendment so rightly asserts we should regain.

Damian Green: I thank my right hon. Friend for his kind remarks, but I am also determined to stay in order. I have moved an amendment to the motion before us, which concerns a project of the Commission on the next steps. I am sure that there are things to be said about previous steps that have been taken, by both the Commission and the Government, but they are not desperately germane to this debate.

Keith Vaz: I shall study the hon. Gentleman's speech very carefully in *Hansard* tomorrow. Will he clarify current Conservative party policy in respect of the processing of asylum applications? Is it still the Conservative party's policy that asylum applications should be processed on an offshore island?

Damian Green: The world has moved on since 2005 and the Conservative party has moved with it. Sadly, the right hon. Gentleman appears to have failed to do so, although I do not blame him. He is nostalgic for the days when the Labour party was an election-winning machine, rather than the increasingly disreputable shambles that it has become in 2007. We in the Opposition will continue to move on, with constructive and creative policies for Britain.

If we consider what the Government do, rather than what they say they do, it is clear that Ministers are happy for important parts of our asylum policy to be set through directives, rather than by the Government reporting to the House. I imagine that they are a little embarrassed about that, given the chaos of wider immigration policy. Although the number of asylum seekers has been declining in recent years, as the Minister pointed out, largely because wars in the Balkans are thankfully just a bad memory, we cannot know that that will remain the case. It is therefore important, as part of the wider changes that are desperately needed in the immigration system, to have a fair and robust asylum system. It will be easier to achieve that if decisions are made by the Government in co-operation with our European partners than if policy is made by the Commission, with the Council making decisions under qualified majority voting on whether to implement them.

As the Minister said, the Commission has asked a number of pertinent questions, some of which this and subsequent Governments will inevitably have to address. She said that she had objections to some of the Commission's ambitions, but without the exercise of our opt-outs, her objections are pointless. The Government seek to delay movement into the second phase, when we would indeed lose any control over our asylum policy, but her stance would be a lot more credible if she or her predecessor had taken any effective action over the past five years.

Such action can be taken without our signing up to a fully centralised policy. The Minister mentioned our relationship with France in this regard. The Government should be making more efforts to impress on the French authorities that it is unacceptable to recreate in Cherbourg the conditions that used to obtain at Sangatte. Sangatte camp has been closed, but many of the problems have moved along the coast, which the Minister will be aware is a growing issue. I should like more Government action in co-operation with the French authorities on that.

A second piece of action that I would recommend to the Government would be to do more to protect British lorry drivers, increasing numbers of whom are reporting that they have been attacked or threatened by people trying to use their trucks as a way of coming into Britain illegally. Even more worryingly, I have received reports that officers at Calais are more concerned with keeping the trucks rolling on to the ferries than with allowing British drivers to go through the channel that allows their trucks to be properly checked by the heat scanners. There is clearly much work to be done by the British authorities in this area, and I am sure that the French Government would be receptive.

Those are two concrete examples of how British policy in this area could certainly be improved by greater co-operation among member states. They do not require new directives or any other kind of legislation. They simply need effective action by the British Government. Asylum policy need not be an area that divides the two sides of the House. My essential message to the Minister is that it is not her words or her stated policy that are deficient; what is not working is the policy that she is, in fact, following. Having negotiated an opt-out from these provisions of the Amsterdam treaty, the Government have behaved as though the opt-out were unnecessary. They have been wrong in that presumption. We have tabled our amendment because it would send a powerful signal to present and future Ministers that British policy on asylum—which should be fair, humane, and competently run—was ultimately the responsibility of the British Government. I commend our amendment to the House.

3.31 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I have heard so much about general immigration policy from the Opposition Front Bench that I wondered whether the Conservatives had read the Green Paper or the Government's response before they

Michael Connarty: Not yet.

The amendment is predicated on an argument about emigration into which as much as possible could be thrown to frighten the people. However, our Government have been seen in some quarters—such as Positive Action in Housing, which campaigns in Scotland—as being far too tough on people genuinely seeking asylum. The idea that we should retreat behind a barrier and say, "This will always by something we do at UK level without co-operating with anyone" is frightening.

Damian Green *rose—*

Michael Connarty: I shall take one more intervention, and then I will want to get on with my speech.

Damian Green: As the hon. Gentleman has monstrously accused me of xenophobia, I am glad he has given way. Does he not recognise that if we do not have controlled borders, which would include a confident asylum system under which we could accept refugees who are in genuine danger, our country will be more likely to have problems with real xenophobes? Those who argue that anyone attempting to discuss in a sensible and moderate fashion controls on immigration is themselves xenophobic are not only absurd but, frankly, dangerous, because they are the people who leave the field clear for the real racists and the real bigots. Moderate, mainstream politicians must address these issues, because if we are driven off the field to the dressing room there are nasty people out there who would much prefer to address them.

Michael Connarty: If the hon. Gentleman was trying to say that, I apologise. It did not sound like that to me, but if that is what he was trying to say I fully agree, and that is also the Government's position. The Government's response to the Green Paper was clear. They said that "a mandatory single procedure", which we already have, would be useful, but they also said that the idea of speeding up integration—in other words, of giving money to integrate people more quickly, before their asylum decisions are made—would be negative. They continued in similar fashion: they say it would not be appropriate to share the physical burden—to share people out across Europe—but they also say that sharing the financial burden of a proper asylum process would be sensible, and they support the idea of giving people in countries where there is conflict or terror security in nearby countries. The Government take a balanced view on this matter. They say that it is far too early to move to phase 2—that we are still implementing phase 1, and that we want a period of reflection on that before deciding what to do in the longer term.

Mr. Heathcoat-Amory: I am grateful to the hon. Gentleman for giving way. Will he on reflection withdraw the implication, which I think he made in relation to me, that either the Opposition amendment or the proposition that national control is desirable is the same as xenophobia? It is a modest proposition to state that a country should define who its citizens are and defend its own borders, if necessary in co-operation with other countries. Will the hon. Gentleman withdraw any implication that I or my hon. Friends are in any sense racist or xenophobic in advancing that proposition?

Michael Connarty: I think that that is the first time that the word "racist" has been used; it has not been used until now by any Member in this debate. I hope that my remarks will read as I intended in the *Hansard* report. What I said is that the right hon. Gentleman proposes—he proposes it regularly, and makes a good case for it in his own eyes—that we should withdraw from what we have already signed up to. He proposes that we opt out. That is the aim he expressed earlier, and it involves retreating behind the barriers and giving away what we have now got by doing things in co-operation. That is the point I was making. I hope that no inferences were taken by him, or by anyone else who heard what I said, that he is a xenophobe. I know that he is not one, but I do think that he is a little Englander in this matter. He wants to retreat behind the barriers and give up the benefits we have gained, and I am sorry that I cannot agree with him on that and never will.

Mr. Heathcoat-Amory *rose—*

Michael Connarty: I will leave this exchange now, if I may, as I have a speech to finish.

The UK has a long and proud record of accepting people. If each country were to try to deal with this matter alone, we would not make progress. The EU is now a common space. If people seeking asylum in one EU country are granted the right to stay, they will eventually be able to travel throughout the EU. The scale of migration across national borders has grown enormously, and we can only deal with that on an EU basis. We cannot deal with it country by country, because if that were the case people would flee from one country to another country. If we had not managed to have the Dublin agreement, for example, we would not be able to stop people asylum-shopping and they would be able to move from country to country.

The EU shares best practice and has made great progress in the first phase of the Tampere agreement, and we are now in the right position to see whether the agreements—the four directives and the three accompanying pieces of legislation—will work and whether we need to move forward. That is what the Government are saying. It is time to take stock. We cannot conclude that when phase 2 starts, a common asylum policy could not make progress through other legislation. We are not taking a view on that at the moment. We are saying, give the policy time to settle in and let us see what happens.

We may want to go beyond minimum standards to higher standards, but we may never wish to have mandatory standards. There is a long way between where we are now and where mandatory standards would take us. It may be that we eventually agree that we want mandatory standards, because other countries may not provide proper processes or integration for people in their countries. That would drive people out of those countries and over to this country, so we may need to raise the standard in other countries for our benefit.

This is an important debate, and it should focus on asylum, not on other things that may be wrong with the immigration system. Although the issues are the responsibility of one Department, they are dealt with differently. We need to treat asylum seekers with respect, because they may genuinely be fleeing in terror of their lives and need our succour and support. We

need a system that reveals whether their claims are false and, if they are, to return them to their country of origin. That is eminently sensible, and the Committee did not oppose the Government's position. Indeed, we thought that it should be brought to the attention of the House and commended. The amendment is unnecessary. It would be better to accept the Government motion and not press the amendment to the vote, but I know that the Conservatives intend to do so, for their own reasons.

3.51 pm

Tim Farron (Westmorland and Lonsdale) (LD): As we have already heard, the common European asylum system seeks, most notably, to prevent asylum shopping across Europe. For example, under an effective common asylum system, people seeking asylum in Germany would not be able to present themselves for a second time in another EU country such as the UK.

The structure created by the common asylum system demonstrates that the EU can be a serious force for good in reducing the number of asylum claims to the UK. That must cause significant mental discomfort to those Members for whom the words "Europe" and "asylum" are triggers to start snarling and frothing at the mouth. It must be hard for them to discover that one is the best mechanism to deal with the other. In any case, it is not my job to provide psychological support to the Conservative party.

The Green Paper introduces stage 2 of the common European asylum system. To an extent, the Liberal Democrats agree that it is too soon to move ahead with stage 2 before we have judged the success of stage 1. We cannot yet judge whether what was agreed is what has been implemented.

I would be interested to hear from the Minister the extent to which she thinks that Dublin II—a regulation that enables the sharing of information to prevent asylum shopping around the EU—is working in practice. There are doubts that it is working well, and those add further weight to the argument that we should concentrate on getting stage 1 right before proceeding to stage 2.

Nevertheless, the Green Paper deserves proper scrutiny, as it raises issues that are relevant to the Hague programme as it moves forward. Although the Government are right to say that we should not rush to judgment, they should not use that as an excuse to ignore the Green Paper and the serious issues that it raises. For example, it gives us the opportunity to consider again whether we should allow asylum seekers to work. The Liberal Democrats take the view that asylum seekers should be permitted to work if their claim has not been decided within two months. It is not only inhuman to prevent asylum seekers from working, but a drain on the benefits system and causes serious social problems.

I do not mean to stereotype, but asylum seekers are often among the most enterprising and talented people. Of the asylum claims I have dealt with—my constituency is in the lake district, so I have not dealt with as many as some hon. Members—most have come from professional people, including doctors, nurses, teachers, and other people who have the skills for which we are crying out, and the desire and the work ethic to go out and earn a living rather than sit and wait for a decision, living on benefits. Many of the more right-wing newspapers to which the Government are often keen to pander are apoplectic at the thought of asylum seekers claiming benefit, so why not silence them by allowing asylum seekers to earn a living?

Mr. Gummer: That is another, and very proper, criticism of the Government's policy towards asylum seekers. Does the hon. Gentleman agree that the fact that the Government take so long to process the arrangements of perfectly decent people, especially if in the end they exclude them, is a crying scandal? That is a question not about the motion, but about the confidence of the House in a Government who let down every asylum seeker, whether genuine or not.

Tim Farron: The right hon. Gentleman makes yet another good point. We want an effective asylum system in the UK and throughout Europe, and a European system that works effectively is bound to be better than even the most effective system operated in isolation.

When talented people are refused the right to work and forced to exist on benefits and charity, it can often cause serious problems, including resentment and even social disorder. As well as being inhumane, forcing people to be idle is just plain witless—and counter-productive.

The Green Paper gives us the chance to look at uniform status across the EU for intermediate categories of residency, such as temporary leave to remain and its equivalents. The asylum system is labyrinthine and complicated, and consequently expensive. Uniform status could allow us to simplify the system, to the benefit of the UK and its citizens.

I urge the Government not to give in to their reflex fear of being seen to be too EU-friendly. I shall not wax lyrical to quite the incendiary levels of the hon. Member for Linlithgow and East Falkirk (Michael Connarty), but I note the somewhat predictable amendment tabled by the right hon. Member for Witney (Mr. Cameron). No matter how much money and effort the Conservative party spends on trying to modernise its image, all it takes is a mention of asylum or Europe, or in this case both, to make its members return to type—unreconstructed, insular and with their heads in the sand. Sangatte was the result of countries acting in isolation over asylum. Uncontrolled asylum shopping around the EU is a consequence of isolated asylum systems. The price of insular asylum systems is unnecessary expense, human misery and failure to remove unsuccessful asylum seekers. If that is what the Conservative party wants, so be it, but we shall have no part in it.

The proposed system is a tremendous opportunity to sell the European Union to our constituents and to the media. It is the sort of issue that reminds knee-jerk little Englanders that although the EU is far from perfect, its existence and our membership of it are essential. There are two forms of leadership, are there not? In the first, someone checks which direction the crowd is taking and runs round to the front, to pretend that was the way they had always intended to go. In the second form, they take a stand and try to persuade the crowd to change direction and follow them. Of course the first is not leadership at all, and my fear is that on

Michael Connarty: Not yet.

The amendment is predicated on an argument about emigration into which as much as possible could be thrown to frighten the people. However, our Government have been seen in some quarters—such as Positive Action in Housing, which campaigns in Scotland—as being far too tough on people genuinely seeking asylum. The idea that we should retreat behind a barrier and say, "This will always by something we do at UK level without co-operating with anyone" is frightening.

Damian Green *rose—*

Michael Connarty: I shall take one more intervention, and then I will want to get on with my speech.

Damian Green: As the hon. Gentleman has monstrously accused me of xenophobia, I am glad he has given way. Does he not recognise that if we do not have controlled borders, which would include a confident asylum system under which we could accept refugees who are in genuine danger, our country will be more likely to have problems with real xenophobes? Those who argue that anyone attempting to discuss in a sensible and moderate fashion controls on immigration is themselves xenophobic are not only absurd but, frankly, dangerous, because they are the people who leave the field clear for the real racists and the real bigots. Moderate, mainstream politicians must address these issues, because if we are driven off the field to the dressing room there are nasty people out there who would much prefer to address them.

Michael Connarty: If the hon. Gentleman was trying to say that, I apologise. It did not sound like that to me, but if that is what he was trying to say I fully agree, and that is also the Government's position. The Government's response to the Green Paper was clear. They said that "a mandatory single procedure", which we already have, would be useful, but they also said that the idea of speeding up integration—in other words, of giving money to integrate people more quickly, before their asylum decisions are made—would be negative. They continued in similar fashion: they say it would not be appropriate to share the physical burden—to share people out across Europe—but they also say that sharing the financial burden of a proper asylum process would be sensible, and they support the idea of giving people in countries where there is conflict or terror security in nearby countries. The Government take a balanced view on this matter. They say that it is far too early to move to phase 2—that we are still implementing phase 1, and that we want a period of reflection on that before deciding what to do in the longer term.

Mr. Heathcoat-Amory: I am grateful to the hon. Gentleman for giving way. Will he on reflection withdraw the implication, which I think he made in relation to me, that either the Opposition amendment or the proposition that national control is desirable is the same as xenophobia? It is a modest proposition to state that a country should define who its citizens are and defend its own borders, if necessary in co-operation with other countries. Will the hon. Gentleman withdraw any implication that I or my hon. Friends are in any sense racist or xenophobic in advancing that proposition?

Michael Connarty: I think that that is the first time that the word "racist" has been used; it has not been used until now by any Member in this debate. I hope that my remarks will read as I intended in the *Hansard* report. What I said is that the right hon. Gentleman proposes—he proposes it regularly, and makes a good case for it in his own eyes—that we should withdraw from what we have already signed up to. He proposes that we opt out. That is the aim he expressed earlier, and it involves retreating behind the barriers and giving away what we have now got by doing things in co-operation. That is the point I was making. I hope that no inferences were taken by him, or by anyone else who heard what I said, that he is a xenophobe. I know that he is not one, but I do think that he is a little Englander in this matter. He wants to retreat behind the barriers and give up the benefits we have gained, and I am sorry that I cannot agree with him on that and never will.

Mr. Heathcoat-Amory *rose—*

Michael Connarty: I will leave this exchange now, if I may, as I have a speech to finish.

The UK has a long and proud record of accepting people. If each country were to try to deal with this matter alone, we would not make progress. The EU is now a common space. If people seeking asylum in one EU country are granted the right to stay, they will eventually be able to travel throughout the EU. The scale of migration across national borders has grown enormously, and we can only deal with that on an EU basis. We cannot deal with it country by country, because if that were the case people would flee from one country to another country. If we had not managed to have the Dublin agreement, for example, we would not be able to stop people asylum-shopping and they would be able to move from country to country.

The EU shares best practice and has made great progress in the first phase of the Tampere agreement, and we are now in the right position to see whether the agreements—the four directives and the three accompanying pieces of legislation—will work and whether we need to move forward. That is what the Government are saying. It is time to take stock. We cannot conclude that when phase 2 starts, a common asylum policy could not make progress through other legislation. We are not taking a view on that at the moment. We are saying, give the policy time to settle in and let us see what happens.

We may want to go beyond minimum standards to higher standards, but we may never wish to have mandatory standards. There is a long way between where we are now and where mandatory standards would take us. It may be that we eventually agree that we want mandatory standards, because other countries may not provide proper processes or integration for people in their countries. That would drive people out of those countries and over to this country, so we may need to raise the standard in other countries for our benefit.

This is an important debate, and it should focus on asylum, not on other things that may be wrong with the immigration system. Although the issues are the responsibility of one Department, they are dealt with differently. We need to treat asylum seekers with respect, because they may genuinely be fleeing in terror of their lives and need our succour and support. We

need a system that reveals whether their claims are false and, if they are, to return them to their country of origin. That is eminently sensible, and the Committee did not oppose the Government's position. Indeed, we thought that it should be brought to the attention of the House and commended. The amendment is unnecessary. It would be better to accept the Government motion and not press the amendment to the vote, but I know that the Conservatives intend to do so, for their own reasons.

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[Tim Farron]

Europe and on asylum the Government have too often chosen the spineless option and followed the crowd. However, on this issue, they could demonstrate to the crowd that there is sound reason for changing direction in terms of popular attitudes towards Europe, so I urge them to take that opportunity.

Many of those points would be close to irrelevant if the UK had an asylum system that actually worked. Unfortunately, we have a system in which the number of deportations is down and where, in relation to some countries, the number of decisions overturned on appeal is up to 40 per cent. The Government are so desperate to deal with their pitiful record on deportations that they are, in effect, starving out unsuccessful asylum seekers, making them destitute, to lever them out of the country. That is an outrage against humanity, and the Minister should be ashamed that it is taking place on her watch.

The European Scrutiny Committee report is not the most riveting of documents, but it is worth reading to the end, not least because in the penultimate paragraph, on page 50, there is some light humour:

> "The UK will be keen to share its experience of improving the quality of initial asylum decisions"—

presumably with our EU partners. However, I am not convinced that they will be particularly keen to follow our example of failure in deportations and an appeal rate against bad decisions of 40 per cent.

I mentioned psychology earlier. I have a friend who is a psychology teacher. She informs me that there are four stages of learning: unconscious incompetence, where one does not know what one is doing but one thinks one does; conscious incompetence, where one does not know what one is doing, but has realised that fact; conscious competence; and then unconscious competence. I am sure that most people, including those of us present today, do not get to number four, or even number three, that often. The key job is to remain consciously incompetent—in other words, to be aware of the fact that other people have something to teach one, and not be overblown about one's own ability. The Government's statement that they feel that they have lots to share with the rest of the European Union demonstrates that they are well and truly unconsciously incompetent on the issue of asylum.

In the light of the failings in the operation of the UK asylum system, will the Minister accept that it is time for us to have an independent asylum agency, which would remove from Governments the temptation to play politics with this sensitive issue and remove the issue from the Government's reverse Midas touch? There are excellent examples of that approach working in other countries—notably Canada, which has a much better record of ensuring that unsuccessful applicants leave quickly and humanely, and which can boast that, far from having up to 40 per cent. of decisions reversed on appeal, only 1 per cent. of decisions are reversed.

Having an effective, humane and operational system for dealing with asylum applications is a necessary prerequisite for ensuring that the common European asylum system is effective. That does not alter our view that the system is desirable and that although it is right to ensure that we evaluate stage 1 properly before rushing into stage 2, the Government should nevertheless take seriously the issues raised in the Green Paper.

4.1 pm

Keith Vaz (Leicester, East) (Lab): I will speak briefly on this matter, because most of the arguments have already been rehearsed. I am happy to support the hon. Member for Westmorland and Lonsdale (Tim Farron). I find myself in agreement with a lot of what he has said this afternoon. I pay tribute to the Minister for the sensible and measured way in which she introduced the debate on immigration, as she did only a fortnight ago. The document will be discussed properly and consulted upon by Parliament, by the Government, and, I am sure, by the European Scrutiny Committee, chaired by my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), which has a diverse cast of characters, some of whom are in favour of the European Union and some of whom are not quite so sure. Giving Parliament the chance to scrutinise such important documents is an important way to approach the European Union.

I was present as a junior Justice Minister at the Tampere European summit in 1999, when Finland had the presidency of the Union and when the whole justice and home affairs agenda was launched. It is good and proper that, eight years later, we are working closely with our European partners on asylum. Tampere became The Hague programme, and following The Hague we had the four directives on asylum, with which the House is familiar. It is right and proper that the Government should stop and evaluate what has been achieved so far in their desire further to improve co-operation between our country and our European partners.

I agreed with the first comments made by the right hon. Member for Suffolk, Coastal (Mr. Gummer). I have a lot in common with him. We celebrated our birthdays on Monday, along with Tina Turner—separately of course, not together. He was right to say that this is an ideal opportunity and an ideal function for the European Union. With external borders that need policing and scrutinising, it is vital that we work together with the other members of the EU to have a common policy. I would probably go slightly further than the Government. I understand why they are concerned and reticent about moving forward on the issue, but we cannot achieve a solution to the asylum problem unless we work closely with our partners.

Mr. Heathcoat-Amory: Can the right hon. Gentleman not accept the distinction between co-operating with other countries, which we all believe in, and irreversibly handing over powers to another organisation on something as important as immigration? That is an important democratic distinction that we make, which I think he fails to make.

Keith Vaz: I understand that distinction, and I do not think that we have handed over the powers; we are very careful. In all debates with a European tinge, I make the point that British Ministers—whether Conservative or Labour—go to summit meetings, as the right hon. Gentleman did when he was a Minister, to protect British interests, not to give things away. He is quite wrong: the Government are protecting and defending our position.

It is right for us to determine whether we can improve co-operation. I hope that we will give sympathetic consideration to the creation of a European support

office. I know that the proposal is at an early stage and I realise that it has come about only as a result of what was decided at The Hague, but we need to look at it.

If we examine such co-operation and support among EU colleagues, we must be concerned about the database. We will need to ensure that data held not only by ourselves but by other EU countries are protected, especially in view of the current climate. We must also ensure that our computer system is compatible with those in other countries. There is no point having fingerprints and data on a computer in France if that information cannot be read in the UK, and if the two computer systems cannot speak to each other, because there would thus be no prospect of achieving the laudable aims that the Government propose.

My second point relates to a matter raised by the hon. Member for Westmorland and Lonsdale, and to some extent by the right hon. Member for Suffolk, Coastal. It is right to lament the delays in the asylum process. I do so every week, and I will tomorrow, when a lot of constituents will visit me—more than 100 come every Friday—all of whom will have immigration problems and complaints about delays in the Home Office. The right hon. Gentleman was a member of the Conservative Government, so I must point out to him that the delays that we are experiencing now are nothing compared with those pre-1997. I went to the immigration and nationality directorate then and saw hundreds of unopened letters and immigration cases that had not been dealt with.

My hon. Friend the Minister reminded us that she was only five months into the job. She needs to give resources and ministerial time to replying quickly to Members of Parliament about asylum cases. Cases must be dealt with quickly so that people who apply and are not successful are told to go as soon as possible. In the long run, that will save her a lot of headaches. It will also save the Home Office a lot of stamps, which it would otherwise have to use to reply to right hon. and hon. Members. Such a process is right and fair for those making applications. If people's applications are genuine, tell them quickly, and if their applications are not genuine and do not succeed, tell those people quickly, so that they can leave the country. That is the cardinal principle that Minister should set out to Lin Homer every Monday morning when she gets her asylum and immigration statistics, because it is of paramount importance.

The Minister must examine the question of asylum seekers who are not allowed to work while their claims are being processed. If the Government want to prevent those people from working, they should process the claims quickly. However, there is constant delay. I am sure that I shall hear tomorrow, as I did last Friday, about cases that have lasted for four or five years without a decision. The people affected who are claiming asylum cannot work, and in fact, they are not on benefits either. They are in a dire situation as a result of the Government's handling of the process. The Minister should look at what is happening and, perhaps in a limited number of cases, ensure that progress is made.

Will the Government please continue to do what they are doing regarding co-operation on asylum? We cannot solve the issue on our own. We must consider the number of people who are allowed to come to this country from France. I understand that 17,000 people—perhaps the Minister will tell me whether that figure is correct—have been moved from country to country to ensure that their asylum claims are processed properly. That is far too many people. We must ensure that once an asylum claim is made in one EU country, it is dealt with, rather than having a situation in which people are moved from country to country, eventually ending up in the United Kingdom. I hope that the Minister will give us the figures and ensure that she raises that point next time she has a ministerial meeting in which she discusses justice and home affairs.

4.9 pm

Mr. Neil Gerrard (Walthamstow) (Lab): It is no secret that over a number of years, and over the course of several Bills, I have often regarded this Government and the previous Government as being far too tough on asylum. The move towards common policies across Europe is desirable. I look at the issue from the point of view of the people who come to Europe and ask for protection. It does not make sense that if two people who came from the same country and who faced the same conditions went to two different EU states, they would be treated in totally different ways and go through totally different procedures, and that totally different criteria might be used in determining their asylum applications. Such a situation will lead to shopping around. It will lead to people who come to Europe trying to see which country is the softest touch.

One of my concerns about common procedures across Europe was that they might start to drive standards down, rather than up, so I am pleased that the Green Paper focuses on putting protection back on the agenda. Some of us feared that moves towards common procedures and standards would have the opposite effect. In many ways, the Green Paper is saying that refugee protection should be back at the top of the agenda.

I listened to the hon. Member for Ashford (Damian Green), who spoke for the Opposition, talking about what has happened so far. He said that what the Government have done caused problems, but I found his arguments difficult to follow. He picked a couple of examples. He mentioned safe countries, but his interpretation of the directive concerned was wrong. Be that as it may, I do not agree with the concept of safe countries and white lists. It is clear in the Geneva convention that each claim has to be considered on its merits. Whatever anyone does, we cannot prevent people from saying, "I want to claim asylum." We may look at the claim and decide that it is nonsense, to refuse it and to remove the person—we may do so quickly, if it is obvious that the claim is nonsense—but we cannot stop someone saying that they want to claim asylum. It is impossible.

The hon. Member for Ashford talked about subsidiary protection. We have always had subsidiary protection in the UK; we used to have a system in which people might be given asylum or exceptional leave to remain, or be refused. That has always been the case. All right, the terms have changed—humanitarian protection is the term that we use now—but there has always been subsidiary protection, so I do not know what problem he was referring to. The argument seemed to come down to his saying, "We welcome genuine asylum seekers, but we don't want non-genuine asylum seekers." The suggestion is that other EU countries

[Mr. Neil Gerrard]

are quite happy to have lots of non-genuine asylum seekers, and to have a common process that encourages them, which is utter nonsense. Every EU country has the same interest in accepting people whose claims are justified and rejecting those whose claims are not justified. I should be glad if the hon. Gentleman showed me that the common asylum system has so far generated more non-genuine claims in this country; I cannot see that any such thing has happened.

As I say, in many ways, the Green Paper puts protection back at the top of the agenda, and that is welcome. I understand why the Government say that we need to proceed with caution; it is too soon after the introduction of the first phase to evaluate it. We cannot evaluate something that has not yet been fully introduced. The Commission needs to do that before proceeding to further proposals. However, I hope that we will proceed, because some proposals in the Green Paper really do matter and could improve things for people who come here for protection. The rights given to people who have subsidiary protection have always been inferior, and I have never understood why. I refer to the right to family reunion, the length of time that people had to wait before their family could join them and the ability of people who have been given protection to move within the EU.

I have dealt with ridiculous cases from time to time. I remember dealing with the case of a family who became divided as they fled from their country of origin. One of them, a 17-year-old, ended up in my constituency. The rest of his family were elsewhere in Europe and there was no way of bringing them together. It was stupid that two halves of a family had asylum claims being considered in different countries and there was no way of bringing them together. Even when they had been given asylum, there was no easy way immediately for that person to move and join his family.

There are things that can be done outside the judicial process—outside the framework of the law. Some of those have been mentioned this afternoon and none of us has any problem with them or with trying to achieve greater practical co-operation. It may be a good idea to try to get greater practical co-operation with, say, the French Government, but that does not diminish the good sense of considering common systems on asylum. It is part of an answer, not the whole answer.

Some of the suggestions in the Green Paper are eminently sensible, such as the suggestion that we examine reception criteria, criteria for detention, whether people have rights to work and what those rights should be. If they are eminently sensible in the UK, I do not see why they are not eminently sensible across the EU and why we should not be talking to other EU countries about reaching common standards in those areas. There are areas in which we should be doing a much better job than we are doing, especially on detention. I still think that we detain far too many people, for far too long, and we are still detaining children. But it does not make sense to have that debate within one EU country.

Finally, I hope that if the Green Paper proceeds and there are further proposals from the EU, we will be able to have full consultation and a full debate in Parliament. It is right that such important EU proposals are debated on the Floor of the House, not just in a European Committee. Whatever comes back and whether the Government propose to accept it or not, I hope that we can have a proper debate on it in the House as early as possible.

4.17 pm

Meg Hillier: With the leave of the House, I shall reply to some of the points that arose in the debate. I should start by saying how nice it is to observe the new-found unity of the Conservative party on the issue of Europe. The hon. Member for Westmorland and Lonsdale (Tim Farron) rightly summed up the difficulties often faced by the Conservatives on the issue.

It was disappointing to hear from the Conservatives that their policy was not to tackle immigration across Europe. It is worth stressing at the outset that the Green Paper is a discussion document. Some of the contributions painted it as a hard and fast policy document. However, it lists a number of questions and does not give the answers. It is a shame that some of the contributions to the debate did not contribute, as my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty) said, to the debate that Europe is having on the subject.

The hon. Member for Ashford (Damian Green) began by being very rude about my belief that our asylum process is getting better, but asylum claims are at their lowest since 1992. Last year we removed more people than ever before, while the number claiming asylum has fallen to levels not seen since 1993. The hon. Gentleman also raised the issue of relations with France. My hon. Friend the Minister for Borders and Immigration met his French counterpart, Brice Hortefeux, earlier this month following Monsieur Hortefeux's visit to London in October. The meeting was constructive, and both Ministers agreed on the importance of continuing the working relationship at all levels, particularly on the maintenance of juxtaposed controls.

I want to correct a factual point. The hon. Member for Ashford discussed the issue of safe countries, and it is worth stressing the letter of the law. Article 30 of the procedures directive allows the national designation of third countries as safe countries of origin. In the UK, that is our non-suspensive appeal process, which we continue to operate.

As ever, my hon. Friend the Member for Linlithgow and East Falkirk made an informed and passionate contribution. He rightly pointed out, in a way that I do not need to, the incoherence of the Conservative position. He also raised the issue of children in detention. Rather than detaining the House, I am happy to write to him about the progress that we are making in that area and the work of the Clannebor project and the Kent pilot to establish programmes that will hopefully reduce the need to detain children; the Kent pilot starts next week. Last week, I met MEPs and had a constructive discussion about our detention estate, including the issue of children. I look forward to their report on the matter.

The hon. Member for Westmorland and Lonsdale made a number of predictable points. His party's policy is to have an amnesty to allow all comers to work in the UK. His speech included the outrageous slur that the Government are starving out asylum seekers, which I must contest. There is always support for people who are going through the claim process. Those who cannot be removed for various reasons outside their own control also receive support. Once a decision is made

and someone is told that they must leave the country, if they do not leave voluntarily, we enforce deportation. Even with voluntary removal, we provide a package of support to enable such people to establish themselves back in their home country, if they want to do so. I also need to correct him on a fact: in quarter three of this year, 23 per cent. of appeals were allowed, rather than the 40 per cent. figure that he suggested.

The right hon. Member for Suffolk, Coastal (Mr. Gummer) raised a number of points. It is worth saying that the total number of people awaiting a decision on asylum has decreased by more than 1,000 compared with last year's figure. We are reducing the backlog, which arose on his party's watch. We are taking measures to tackle the backlog, which we take very seriously. *[Interruption.]* I am the second largest customer of the Home Office for my constituents on this issue in terms of correspondence to the Border and Immigration Agency and Ministers, so I know the facts and the reality on the ground. The number of new applications processed under the new model is increasing. We are improving our targets to grant or remove new asylum cases within six months. The target for the proportion of cases that are concluded within a six-month period will increase in steps to 90 per cent. by the end of 2011. We are addressing the issue in steps, because it would be foolish to promise what we cannot do, but we are determined to deliver.

As ever, my right hon. Friend the Member for Leicester, East (Keith Vaz) and my hon. Friend the Member for Walthamstow (Mr. Gerrard) made sensible and well-informed contributions. I look forward to continuing the constructive debate on asylum with them, unlike Conservative Members. I wonder what the motive is behind the amendment, which seems confused and contradictory. Much of what Conservative Members have said agrees with Government policy. I wonder whether they have another motive outside this House and what they will do with the outcome of the vote, if they press the amendment to a Division. I urge them not to do so, because our positions on this issue are not radically different.

Question put, That the amendment be made:—

The House divided: Ayes 136, Noes 275.

Division No. 014] **[4.24 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Horam, Mr. John
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Luff, Peter
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. David Evennett and
Mr. Brooks Newmark

NOES

Ainger, Nick
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Bradshaw, Mr. Ben
Breed, Mr. Colin
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul

Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Campbell, Mr. Alan
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Heath, Mr. David
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Hutton, rh Mr. John
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Lewis, Mr. Ivan
Linton, Martin
Llwyd, Mr. Elfyn
Lucas, Ian
Mackinlay, Andrew
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Oiner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Sneigrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mr. Roger
Wilson, Phil
Winnick, Mr. David
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Liz Blackman

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House takes note of European Union Document 10516/07, Commission Green Paper on the future Common European Asylum System; notes the continued importance of working collectively on asylum issues with other Member States; further notes the importance of the Dublin II Regulation, the current responsibility mechanism to deal with asylum seekers; and supports the Government's position that proper implementation and a full evaluation of first phase instruments should take place before embarking on a second phase of legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 145(3) (Liaison Committee):

ESTIMATES

That this House agrees with the Report [27th November] from the Liaison Committee.—*[Mr. Michael Foster.]*

Question agreed to.

Convicting Rapists/Protecting Victims

Madam Deputy Speaker (Sylvia Heal): It will be appropriate to impose a time-limit. Front Benchers are allowed 20 minutes; they may consider taking rather less. A time limit of five minutes is imposed on Back-Bench speeches.

4.38 pm

The Solicitor-General (Vera Baird): I beg to move,

That this House has considered the matter of the Government consultation on convicting rapists and protecting victims.

I welcome the opportunity to open this debate on convicting rapists and protecting victims, which follows the publication yesterday of our response to a consultation paper of the same name.

Rape is one of the most feared and most damaging crimes in our society—5 per cent. of women and 0.4 per cent. of men have been raped as adults—and it devastates the lives of victims, often some of the most vulnerable people there are. The harm caused can be severe and long-lasting, affecting the sexual, physical and mental health of the victim. It takes enormous courage for a victim of sexual violence to report such a crime and they deserve to be treated with dignity and respect, and to see justice done. Our new public service agreements will, for the first time, make it clear that tackling sexual violence must be a priority across England and Wales.

Contrary to the popular view—it cannot be said too often—rape is not usually perpetrated by a stranger: a man in a mask on an isolated footpath hitting someone over the head and grievously injuring them. According to the British crime survey, 54 per cent. of rapists are current or former partners of the victim and only about 17 per cent. could be called strangers. With non-stranger rape, there is often no independent witness present and little or no forensic evidence.

The Government have already made a number of changes to the law and to how police and the Crown Prosecution Service work together to try to tackle rape. In particular, we have excluded much previous sexual history evidence from trials. That used to undermine victims and make it frightening for them to countenance coming to court. We have strengthened the law on rape through the Sexual Offences Act 2003, improving the definition of consent and requiring that any belief that the complainant was consenting has to be reasonable before it can operate as a defence. We have updated the law on bad character and hearsay to ensure that all relevant evidence is considered by a jury.

We are determined to take all measures necessary to improve the conviction rate in rape cases. Ministers have said many times that the conviction rate is unacceptably low. Increasing the conviction rate is vital in order not only to deliver justice for victims but to send a deterrent message to potential offenders, prevent rapists from committing further offences and secure the confidence of victims and the wider public in the criminal justice system. It is also important for the criminal justice system, as a low conviction rate can deter the application of the rigour and thoroughness that it is appropriate to apply to inquiries into serious sexual offending behaviour.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): My hon. and learned Friend will want to congratulate the CPS in Wolverhampton on securing a conviction rate of about 80 per cent. The difficulties to which she referred are particularly hard when cases involve children. Will she make that a feature of the consultation? There is an unfortunate case in my constituency with which the CPS has been unable to proceed simply because it involves a child's word against an adult's, even though more than one alleged offence against the same person is involved. Will my hon. and learned Friend pay particular attention in the consultation to that difficult and sensitive area?

The Solicitor-General: I congratulate my hon. Friend on the interest that he has taken in such issues, which are extremely difficult. Measures have been put in place to try to support children so that they can come forward and give appropriate evidence, but it is not always practical or appropriate for cases to be continued in every circumstance. If I can assist my hon. Friend with any particular element of the case that is troubling him, I would be pleased to meet him about it.

Judy Mallaber (Amber Valley) (Lab): Has my hon. and learned Friend been able to gather any evidence on the degree to which sexual assault referral centres such as Millfield house in my constituency, with their counselling sessions and sympathetic medical examinations, have been able to assist in encouraging and enabling women to pursue rape cases? Does she share my hope that with the belated awareness of the right hon. Member for Witney (Mr. Cameron) about the importance of the matter, the Opposition will vote in favour of measures that will enable us to increase conviction rates, rather than oppose them as they have sometimes done in the past?

The Solicitor-General: Since a good deal of the fall-out for people who complain about rape happens at the start of the process, it is common sense that sexual assault referral centres, which support complainants as if they were patients and look after their needs, are bound to encourage them to have the confidence to remain in the prosecuting process. Although no concrete research shows that that is the case, it is counter-intuitive to suggest anything else. As my hon. Friend the Member for Amber Valley (Judy Mallaber) knows, we have multiplied the number of sexual assault referral centres as fast as possible in the past few years. There are approximately 19 and there should be one in every criminal justice area in two years.

Yes, I welcome the Opposition's new interest in the topic of rape and hope that they can now support our measures.

Mr. Dominic Grieve (Beaconsfield) (Con): I am obviously pleased about the comments of my right hon. Friend the Member for Witney (Mr. Cameron) on the subject, but to suggest that it is a new interest, when the Solicitor-General knows that we both served on several Bill Committees in which we scrutinised those matters closely—and, indeed, agreed on many things that needed to done—is perhaps not the best way to start such a debate.

The Solicitor-General: Unfortunately, my last recollection of a Conservative attitude to rape is the suggestion of anonymity for male defendants, to—as it was put in Committee—"level the playing field". I am therefore sorry to say that I cannot accept for a moment the contention that the Tories have systematically supported the things that we tried to do to improve the conviction rate. Indeed, I have already said that we excluded previous sexual history, which was done nearly over the dead bodies of Conservative Members. Many years ago, before we were in government, I drafted amendments for a Back Bencher who presented them in a Committee on a much earlier criminal justice measure. We begged the Conservative Government to introduce limits on the admissibility of previous sexual history. That was rejected out of hand. I am afraid that we are considering a fairly new road to Damascus conversion for some Opposition Members.

Jeremy Wright (Rugby and Kenilworth) (Con): Will the Solicitor-General give way?

The Solicitor-General: I shall carry on because I have given way at least three times in the past five minutes and there is much to say.

Let us consider the conviction rate, which stands at 5.7 per cent. for reported rapes. We do not know how many rapes are reported but we believe that the figure is approximately 15 per cent. That is an increase on the historic number. The figure of 5.7 per cent. represents a decrease in the conviction rate, which has been falling since the 1970s. In the past decade, especially in the past five years, there has been a significant increase in reporting rape, and it is important to put the conviction rate in that context. Overall, since 1997 when 6,500 rapes were reported, the figure has increased substantially so that 14,500 rapes were reported in 2005-07.

That rise in reporting is important because it demonstrates that victims increasingly have the confidence to come forward, and that the steps that we have taken in the past decade expressly to give them confidence of the sort that my hon. Friend the Member for Amber Valley described, are starting to work. More victims have the confidence to come forward and complain. There are greater numbers of convictions for rape and the overall percentage is moving in the right direction. In the past year, 863 individuals were convicted of rape, whereas 618 individuals were convicted of rape in 1997. Approximately 250 more rapists are convicted every year as a consequence of enhancing people's confidence to come forward.

I am happy to say that conviction rates on complaint are beginning gradually to turn the corner. I do not pretend that 5.7 per cent. is much to write home about, but it is an increase of 0.5% per cent. in the past two years. Although that sounds small, the figures together represent a 10 per cent. rise in the past two years. We have increased by a third the number of people who are convicted annually of rape. The conviction rate is starting to increase, so there is hope that the measures that we have put in place are starting to bear fruit. However, it is clear that there is more to do.

We put out a consultation paper in 2006 on four issues that we thought could strengthen the existing legal framework. They related to the consent element in rape, evidence or information about the psychological reactions of rape victims, the use of video evidence and the law relating to the admissibility of evidence. Let me go through each of them quickly.

Under the current law, the statement that a victim of a sexual offence makes to someone else can be heard by a jury only if it is made as soon as it could reasonably have been made after the offence. It is now pretty well known that victims of rape or other sexual offences may delay making their complaint for a variety of reasons, the trauma being one of them, the humiliation and embarrassment being others. We believe that juries should be allowed to hear and take account of as much relevant evidence as possible, so we shall legislate to make statements from victims about a rape automatically admissible, whenever they were made. We have decided, too, that it is right that the new legislation will apply to every offence. We will include evidence of all complaints and all offences, subject always to the judge's discretion to exclude evidence that it is unjust to admit.

Shona McIsaac (Cleethorpes) (Lab): My hon. and learned Friend will know from the discussions that we have had that I spent most of the summer recess serving as a juror on two complicated rape cases. I am intrigued by what she just said, because—I do not know whether hon. Members are aware of this—jurors receive a transcript of the defendant's statement to the police, but not one of the complainant's. The victim's statement is not taken into the jury's retiring room, so jurors just have one version of events. Is my hon. and learned Friend saying that such evidence will be admissible and that jurors will be able to read the victim's statement?

The Solicitor-General: No, that is not quite my point. My hon. Friend has raised the issue with me and I understand her concern. She is saying that when a defendant is interviewed by the police the answers to the questions are always given to the jury when it retires, but not the complainant's statement. I am talking about a different point, although when I talk about videoed evidence my hon. Friend will find it helpful that we have made a different step from the one that I have just set out.

We are determined to ensure that rape complainants receive the fullest protection that they can. Since video recorded evidence can be accurate and compelling, we intend to extend the video recording special measure to adult complainants in cases involving sexual offences. We shall vary the legal test, so that such recordings are automatically admissible. Prosecutors will also have a broader discretion to ask supplementary questions of a witness. That means that when the police first feel able to interview a complainant, they will not do so by writing down a statement; rather, they will video what she has to say. That video will stand as her evidence in chief in court, although the prosecutor will be able to ask supplementary questions if he wishes and cross-examination will of course follow thereafter. That will help to address the problem that my hon. Friend raised and ought to shorten the period that the complainant has to spend in the witness box, reliving the intimate details of the trauma. The new procedure should also give the jury a good, fresh impression of her evidence.

Jeremy Wright *rose—*

Mrs. Eleanor Laing (Epping Forest) (Con) *rose—*

The Solicitor-General: I am going to carry on, because I have got a lot to say and I am conscious that others wish to speak. No doubt Opposition Members will take their chances to do so.

Capacity to consent has been a difficult area. Problems occur where a person is intoxicated. A person can be intoxicated to the extent that they do not have the capacity to consent. That can be exploited in order to have sex and if it is, that is rape. We have asked whether the law in that area needs changing. Contrary to some assertions in the press, we were never contemplating a grid system, whereby a person's capacity could be judged against what they had drunk, but the problem was highlighted when the Crown withdrew a case in Swansea because the complainant could not say that she had said no, as it were, because she was very drunk. The question whether she was so drunk that she did not have the capacity to decide either way was not left to the jury, but now we have a judgment from the Court of Appeal, in the case of R *v.* Bree last March, saying that that is how the law should operate. A person's capacity to consent through the drink or drugs is what matters, and that capacity can evaporate well before she becomes unconscious. That is the issue to be left to the jury now. It is not a question of asking, "Was she so drunk that she can't remember whether she consented or not?" Rather, the jury must ask whether she was so drunk that she could not have had the capacity to say yes or no.

We do not feel that we have to do any more, because that case has clarified the law. It is notable, however, that as recently as July, there was another case on almost exactly the same facts, in which the judge at first instance behaved in almost exactly the same way. That case has come to the Court of Appeal and been put right, and the law has now been set out with even greater clarity. The Judicial Studies Board has issued guidance on this matter for judges, and it is imperative that they take it on board. I know that the board will make greater efforts to spread the judgment if it needs to. It is obviously a matter for concern that, having had a clear judgment in March, the same issue had to go to the Court of Appeal following a case in July. We have already put this into guidance for our police and prosecutors on sexual offences.

We also looked at whether evidence on the psychological impact of sexual offending on victims should be presented in court by experts, and whether there were other ways of presenting juries with the information about victims in general, rather than about the behaviour of a specific individual. A lot of myths surround the crime of rape. An Amnesty International document produced in 2005 identifies a blame culture against victims of rape. Similar research in the US suggests that that is an important feature in many acquittals. Every report from the Crown Prosecution Service inspectorate and from the inspectorate of constabulary has talked about the scepticism about rape complainants that is borne of myths, and about the misunderstandings about how complainants will behave after they have been raped.

It has been practical to train those myths away from professionals. Lawyers and prosecutors have been trained, and judges go on serious sexual offence courses. Barristers will now have to go on a course before they can prosecute rape cases. Juries, however, have so far been out of reach. We now consider it desirable for juries to receive information about the psychological reactions of rape victims, in order to dispel these myths. However, rather than have the prosecution present evidence, we are going to set up a group of academics, doctors and—I am happy to say—judges to help us with this proposition.

Margaret Moran (Luton, South) (Lab): I commend my hon. and learned Friend for the extensive training throughout the criminal justice system that she has outlined. Is she aware, however, that there is a huge variation in the performance of the various police authorities? My own police authority in Bedfordshire is, sadly, among the worst for tackling domestic violence and rape. Will she ensure that there is greater scrutiny of police forces, as well as greater training, so that we can be assured that there is not a postcode lottery when it comes to the effectiveness of the police's prosecution of these cases?

The Solicitor-General: My hon. Friend is right. She makes a very good point, and I will return to it in more detail later. Happily, my own police authority, Cleveland, is somewhere in the middle.

We shall ask the group of academics, doctors and experienced judges who have dealt with a lot of sexual offending—with the blessing of the senior judiciary—to decide what even-handed material could helpfully be put together to give to juries. They will do that job quickly; they have already met once in the course of the consultation, and they will meet again in December. We are seeking to get on with this. Justice must not be defeated by myths and stereotypes.

Mrs. Laing: I should like to ask, for the sake of clarity, whether this new system will operate in a way similar to that in which expert evidence is brought before a court in any other kind of case. Expert evidence can be given on the psychological effect of rape. If it were a motoring offence, the expert evidence could be on the state of the tyres, or something like that. I do not mean to draw a parallel between the two; I am merely asking for clarification on how this will work in court. I am very much in favour of it, and I wonder whether it will work along similar lines to expert evidence.

The Solicitor-General: I am glad to have the hon. Lady's support. The experts, particularly the psychiatrists' expert, feel confident that there is a broad understanding among experts of what might be called typical—that may not be the right word—responses from rape complainants, so I am hopeful that there could be a consensus in respect of what information could usefully be put before juries. Unless they have some specialist knowledge or unless they have been exposed to rape themselves, jurors will not follow it, as it is quite counter-intuitive. We hope that this will not need to be expert evidence in the sense of being partisan on either side and that it could be put before the jury in some neutral way in order to dispel these myths so that the jury's minds will remain open in a way that we hope all British jury's minds are open. That is how I hope it will work.

[The Solicitor-General]

I must say that I feel reasonably optimistic about this and I am particularly pleased to have the judiciary so fully on board in respect of it. A member of the senior judiciary told me this week that when he had been on the serious sexual offence training course and had heard from psychiatrists what reactions are or are not typical of rape complainants, he said that it was like scales falling from his eyes. He felt that it could be hugely helpful for jurors as well, which is very cheering.

There is a bigger job than just for juries, as awareness raising is a serious issue and it is a responsibility of all of us—politicians, experts and victims themselves, if they can manage it—to help change public opinion. There is also the media. It was quite by accident—I do not usually have this invidious habit—that I listened to "The Archers" last Sunday. It is running a storyline at the moment about a young woman—*[Interruption.]*—youngish, is she? She was raped some time ago, but had not complained and was helping the man out. She failed to report it, but I think that she has now. The programme showed how traumatised she was and how difficult she was finding the whole process. I think that that is quite helpful—depending, I suppose, on how the storyline develops from there.

Let me move away a little from the criminal justice system and speak about the broader work being done to tackle rape and other sexual violence. Consultation is very important and we believe that reforming the law will improve outcomes, but is not enough in itself. We have a cross-governmental action plan to prevent sexual violence, to increase access to support for victims and to improve the way in which cases are investigated and prosecuted.

Jo Swinson (East Dunbartonshire) (LD): Has the Minister had the chance to read the End Violence Against Women report "Map of Gaps", which was published this week? In particular, what does she make of the finding that most women in the UK do not have access to a local rape crisis centre? Do the Government intend to address that problem?

The Solicitor-General: I have read "Map of Gaps" and I have enormous respect for End Violence Against Women. I shall come on to that in due course, if I may.

It must be our ultimate aim to prevent sexual violence, challenge the culture that tolerates it and support those at risk of victimisation across the board. Attitudes need to be addressed very early. As days go by, we are educating the next generation of jurors, so we must start with education. All secondary schools deliver sex and relationship education and by the end of 2009 we expect them all to meet specific standards in relation to personal, social and health education, including sex, relationships, emotional health and well-being.

Clearly, we need to challenge the behaviour and attitudes of the minority of men who think that it is okay to have sex without consent. Last year, the Government ran a pretty effective and very hard-hitting campaign stressing the importance of active consent to sex. My colleague, the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), has helped to launch the men's coalition. I am very pleased about it, as it is a group of leading men's organisations that aims to provide a male voice to challenge exactly that culture—any male culture that colludes with any kind of violence against women. The men's coalition will challenge that and we will continue to see what else we can do to support it and spread its work.

Those who commit sexual offences receive tough sentences. The average length of a sentence for rape has doubled since the 1980s—it is now about seven years, whereas at that time it was three years and four months—and we have introduced indeterminate sentences for people convicted of rape who pose a danger. Fifty-seven people are serving life sentences for rape. On release, serious sex offenders are managed through multi-agency public protection arrangements—MAPPA—by the police and offender management services. MAPPA appears to work: in 2006-07, only 0.08% of high-risk offenders managed within MAPPA were charged with a further offence.

Increasing access to health and support services is very important. We have a duty to help those affected by sexual violence to deal with the consequences of their ordeal, and I am pleased that we have been able to invest around £10 million in services.

5.5 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I welcome the opportunity to debate the Government's response to the report, and the responses that the report received, on what is an extremely important topic. I also welcome the opportunity to examine more widely issues relating to what is acknowledged in all parts of the House to be not only a very serious offence, but a serious problem.

This is not a new topic. The Solicitor-General and I had the pleasure of debating it during consideration of the Bills that became the Criminal Justice Act 2003 and the Sexual Offences Act 2003. On the whole, in my experience, there is cross-party agreement on the issues. Indeed, the changes that we brought about as a result of the Sexual Offences Act, involving definitions of rape and issues concerning capacity, were welcomed throughout the House, and that is exactly as it should be.

I am slightly sorry that at times the Solicitor-General appears to consider this an area in which she alone, or her party, enjoys a monopoly of wisdom or, indeed, caring. I do not think that that is fair to the Conservative party, or indeed to other right hon. and hon. Members. But I want to enter into the debate in a good spirit. If I highlight issues about which I have some concerns, as I shall do shortly, it is not because I do not wish to support the Government's intention of ensuring that more of those who have committed rape are convicted, but because we must be careful not to undermine the basis of the criminal justice system in a way that would lead to miscarriages of justice, thus ultimately doing nothing at all to ensure that more rapists are brought to justice.

Shona McIsaac: Will the hon. Gentleman give way?

Mr. Grieve: I will in a moment.

I remind the Solicitor-General that when we passed the Sexual Offences Act 2003, the Government expressed the hope that it would make a substantial difference to

conviction rates in rape cases. There is no escaping that: it was why the Government introduced the Bill, and it was one of our reasons for supporting measures that we considered fair, reasonable and proportionate.

As the Solicitor-General said, although the Act has gone some way towards improving conviction rates, it has had nothing like the impact for which the Government hoped. I venture to suggest that that is because of the increase in the number of rape allegations in the last 30 years, caused partly—and very properly—by the right to complain about rape in marriage and partly by the rise of what is colloquially known as date rape, involving persons who have had an intimate relationship that may have ended recently or may still be ongoing at the time of the rape.

Shona McIsaac: That is not date rape.

Mr. Grieve: Rather than speaking from a sedentary position, the hon. Lady should listen to what I have to say. She can intervene in a moment.

I accept that the term "date rape" is sometimes used in the context of people who are raped during a date with someone whom they do not know very well, but I have also heard the term used in the sense in which I am using it, to denote rape involving individuals who are known to each other.

Shona McIsaac *rose—*

Mr. Grieve: The hon. Lady has made her point, and I am not going to get involved in an exercise in semantics as that would not be helpful.

I think there might be agreement that, as the hon. and learned Lady said, the rise in rape is not a result of stranger rape, or people being dragged into the bushes or knocked over the head in a darkened lane at night, but in large measure results from the fact that people are properly coming forward and complaining about rape in the context of a relationship where they know their assailant. As the hon. and learned Lady acknowledged in her speech, that presents a real challenge, and we in this House must address it. First, we must ask how we can ensure that women who have been raped come forward and make allegations when we know—this is a telling fact—that many such women are in some uncertainty as to whether the allegation they wish to make constitutes rape. In many cases it almost certainly does—that point was picked up in Government statistics. We must also address how to ensure that that happens while also ensuring that there is fairness for the accused, and how to get such cases through the courts so as to ensure the conviction of those who are guilty.

That is a very real challenge because all the evidence suggests that there are two major reasons why conviction rates are so low. First, a substantial number of the cases complained of never reach court at all. It is worth running through the statistics on why that is the case: one sixth of the complaints initially made are not investigated because the police conclude—one hopes they are right in this—that they are false; a quarter are dropped because of insufficient evidence; and one third are withdrawn, often because the victim will not co-operate further, which presents another challenge that should cause us a great deal of anxiety. We also know that once such cases get into court, the nature of the allegations presents juries with enormous difficulties. They must decide whether a very serious offence has been committed, and if the person accused is of previous good character and the consequence of conviction is a long period of imprisonment—as it should be—if there is any doubt, the defendant is entitled to the benefit of it. We have seen over and over again that such cases present real problems. It is worth noting that the conviction rate in such trials is now 44 per cent., and although that is too low, as the hon. and learned Lady has said, it is substantially higher than the initial statistics would suggest.

I must also say that it is not my professional experience that jurors treat rape allegations lightly. Rape is viewed in our society as a very serious matter, although I agree with the hon. and learned Lady that there might be issues about young people's attitudes as to whether certain sorts of behaviour may render a subsequent complaint by a victim in some way wrong—I think we are in agreement that we would not wish to countenance that.

What should we do? My right hon. Friend the Member for Witney (Mr. Cameron) has made the point, which has been picked up, that greater support for rape victims is needed. It is worth pointing out that there were 68 rape crisis support centres in 1984 and there are only 45 today. There are funding issues in respect of whether the centres can survive in the long term when they tend to have a hand-to-mouth existence. I very much hope that the Government will be able to address that. As the hon. and learned Lady will be aware, we have said that the three-year funding cycles are unsatisfactory.

I think that there is also complete common ground between the hon. and learned Lady and me on wider educational issues. It is vital that there is an understanding within the sex education context of people's rights in intimate relationships. That should be inculcated and fully understood at a young age, because in the long term that might do more to reduce the incidence of rape than almost anything else. I hope that the Government will have the opportunity to look—we will support them in doing so—at ways in which to take that forward.

We also need to consider whether we are getting the right sentences, although I acknowledge that the Solicitor-General says that some of the statistics show a continuing rise in sentences in rape cases. That is also a difficult area, but if the Government make any suggestions, we will consider them creatively.

I turn to the issues raised in the report. I note that the first recommendation is that the Government take the view that there is no need at present to interfere further with the law on capacity, and they are right. We carried out a major change in the 2003 legislation and, while I share the Solicitor-General's disquiet about the problems with several cases in which the judiciary and, sometimes, prosecuting counsel did not seem to understand the new rules, any form of legislative change takes time to be transmitted down the chain. I am pleased to hear about special training for those prosecuting such cases.

I am sure that the Solicitor-General will agree that the case of R *v.* Bree has laid down clear parameters on the issue of capacity. I hope that those are properly understood and that, as a result, we will have no

[Mr. Grieve]

further instances of trials being abandoned even though the issue of capacity could be resolved in the jury's mind. I endorse the judiciary's assertion in R *v.* Bree that it was certainly not Parliament's intention to say that a person lacked capacity only when they became unconscious, and I am pleased that that has been made clear.

I find the second issue, that of expert witnesses, more difficult, and I shall explain why. I was struck by the Solicitor-General's comments, because her language about a desire to see expert evidence admitted or special training for juries was much stronger in tone than the contents of the Government's response in the report. I do not know whether that indicates some difference of view between the Solicitor-General and others in the Law Officers' Department or the Home Office about how to approach the issue, or whether it is her personal view. In any case, one does not match the other, and I detected considerable hesitation in the report, insofar as it made it clear that there were potential problems with getting expert evidence admitted, which the Government fully recognised. I share those concerns.

Rob Marris (Wolverhampton, South-West) (Lab): I may have misunderstood the hon. Gentleman, but he appeared to be eliding what I took to be two separate issues. One is training for juries, and the other is expert evidence on a particular offence. Those appear to be separate to me, but the hon. Gentleman appeared to elide them.

Mr. Grieve: The hon. Gentleman makes a valid point. Perhaps in eliding those issues I am reflecting in part a slight uncertainty about the Government's aim. There are different ideas. One would involve giving jurors a pack before they start a rape trial, giving the background statistical issues on rape and the problems of post-traumatic disorder leading to victims complaining only a long time after the event. The other would bring experts into court to explain those issues to juries in the course of the trial.

Both present difficulties. If we were to do that, the defence would have to be entitled to do the same thing. The Solicitor-General shakes her head, but on the basis of equality of arms and fairness of trial, it would be difficult to avoid that. The problem, as those of us in the legal profession know, is that some experts are tremendous individuals who act neutrally, and others can be hired guns who will say virtually anything in court that anybody wants them to say. *[Interruption.]* The hon. Member for Wolverhampton, North-East (Mr. Purchase) says, "Most of them".

There is plenty of material that I can imagine defence counsel wanting to put before juries about, for example, the claimed incidence rates of false allegations, that I would not particularly want handed out. I am by no means clear in my mind as to how that problem can be overcome. From reading the Government's report, I detected that although they intended to consult further, they had not made up their mind, which is why I was struck by the far greater note of certainty given by the Solicitor-General at the Dispatch Box. I shall take it that the Government's position is as set out in the paper, in which case I unreservedly welcome it. If there is a sensible way forward that meets the needs of fairness to defendant and victim, and the prosecution—it is an advantage to the prosecution—we shall look at it sympathetically, but there are real issues and problems about bringing in experts. I cannot conceive of a circumstance where an expert could be brought in for one side without allowing the other side to have their pennyworth-say on the matter.

The Solicitor-General: I know that the hon. Gentleman has not had long to read the document, and that as the concept is relatively new it is not easy to grasp. We are not talking about expert evidence now, as I thought I had set out reasonably lucidly for the hon. Member for Epping Forest (Mrs. Laing), although expert evidence was certainly within our contemplation when we launched the consultation, and most of the senior judiciary who responded were in favour of expert evidence and did not see the problems the hon. Gentleman has found with it. As he has not had much opportunity to read the document, let me make it clear that the idea is to try to find something consensual that can be put before a jury as a piece of public service information, not related to this or that defendant or this or that complainant, and I am enthusiastic about the prospect. It could be a key piece of public education material for jurors and other people, and I am sure he accepts that is long overdue. I am so pleased that the judiciary are joining in with that effort.

Mr. Grieve: I am grateful to the Solicitor-General for her remarks, but I shall simply quote the Government's position:

> "The Government's view is that whilst it would be desirable for juries in rape cases to receive expert evidence concerning the characteristics of behaviour and psychological reactions that victims of rape may demonstrate, so as to seek to break down what are well recognised to be stereotypical myths about the way rape victims react, there are substantial risks to this proposal and it should be approached with caution."

The document goes on to refer to general evidence, but the high point is:

> "Consequently we will continue to look for ways in which general expert material could be presented in a controlled and consistent way with a view to dispelling myths as to how victims behave after incidents of rape. We will ask the experts who came to help us in formulating the Government's response on this issue to continue to work to find an appropriate and fair way forward."

To which I say hooray, but I inferred from the Solicitor-General's comments that there was much stronger certainty of a particular outcome than I read in the report. That is all I wanted to say on the matter.

The Solicitor-General: I am not sure why the hon. Gentleman is either nit-picking or trying to count the number of angels on the head of a pin. Does he support the endeavour of seeking to dispel the myths and stereotypes that impede successful convictions in rape cases or is he against it, as the Tories have repeatedly been against attempts to improve conviction in rape cases?

Mr. Grieve: Again, I quote from the Government's report, which states that if there is

> "an appropriate and fair way forward, if that can be achieved, we will be prepared to legislate".

That is our position, too, but it is not what the Solicitor-General has told the House in the course of the debate. It is slightly regrettable that the Solicitor-General's views in the debate appear to be at variance with what the Government said.

The Solicitor-General: It is my document.

Mr. Grieve: In that case, the Solicitor-General did not read it before she came to the Dispatch Box.

I want to turn to the other points that arise about research, but before I do I want to say one more thing. A point was made about whether there should be more research into juries' attitudes. I suggest to the hon. and learned Lady that that might be quite sensible. The point has been made that there is a problem in relation to general societal attitudes, perhaps particularly among young people, when it comes to whether rape is really rape if somebody has worn provocative clothing or if it has taken place in particular circumstances. I wonder whether that is in fact the attitude that gets taken into the jury box. It might be worth looking at whether those are the key problems in rape cases.

David Howarth (Cambridge) (LD): I think the hon. Gentleman may have misspoken slightly. The existing evidence shows that myths about rape and attitudinal problems are mainly held by the older part of the population, rather than the younger part.

Mr. Grieve: I am grateful to the hon. Gentleman, and I may have done so. I simply make the point that we do not have jury research in this area, as far as I am aware. It would be possible to carry out such research. If the Solicitor-General would like to promote that, either herself or through the Ministry of Justice, it would be worth while. Such research might also clear up the question whether it is mainly older people or younger people who hold such attitudes. My point is that to take general societal attitudes and then say that jurors will invariably hold those attitudes at the end of a trial, when they have heard the evidence, is not necessarily borne out by my experience as a practitioner. My experience is that people may come into the jury box with prejudices, but if cases are properly presented on all sides, they often do not have them by the time the trial has come to an end. Equally, sometimes, they may do. It is an issue that we just do not know about.

On special measures, the proposals in respect of video recording appear to us to merit careful consideration. I can certainly see that there are some powerful arguments for extending the rules on video recording to make it of general application, as long as that can be done in a way that ensures that the defence is still in a position to put its case. We already allow that in a number of categories. The Solicitor-General did not have time fully to develop her arguments, but we would certainly be willing to support the proposal, as long as we were satisfied that fairness in the trial process could be maintained.

I am strongly of the opinion that it must always be the choice of the victim whether they wish to have that process in place. To deny a person the right to go into the witness box in court and to explain in front of a jury what happened to them is something that should not be undertaken lightly. It would be contrary to all normal principles of justice—if the person wanted to go into the witness box. However, these are areas where better protection needs to be provided.

There have been a number of statements about the impact of such evidence. It is quite right that, if one is looking at a small video screen in a jury box, the impact may not be very significant at all. Equally, if one puts a big plasma screen up on the wall, it may be argued that the impact is disproportionate. These are quite difficult areas. One of the reasons why we have always tended to require people to come to court to give evidence is that it is a controlled and quite neutral environment. There are always risks that if one moves outside such an environment, that can be exploited. That does not necessarily follow and there are powerful reasons for arguing that video evidence may become the norm in most rape cases, but there are issues that need to be guarded against. I am sure that the Solicitor-General will be able to respond positively to those points.

I want to bring my remarks to a conclusion, because I am conscious that others wish to participate in the debate. I repeat what I said at the outset: we need to ensure that justice can be done for victims of rape. It is a difficult area. We need also to recognise that it is difficult possibly because of societal attitudes that need to be changed, but also because jurors, who in my experience try to do their best, are often confronted with impossible questions to answer in rape cases. We need to do our utmost to ensure that those questions are presented simply and in a way that does full justice to victims' problems. However, we need to ensure that the rights of defendants to a fair trial are recognised, too. We cannot escape that, and I say to the Solicitor-General that that is as important an aspect of justice as the rights of the victim. We need to ensure that both are protected.

Madam Deputy Speaker: Order. The hon. Gentleman's time is up.

There is approximately half an hour left for the debate. I make a further plea that the remaining Front Bencher and Back Benchers impose on themselves even tighter discipline than the five-minute limit that I originally suggested for Back Benchers.

5.30 pm

David Howarth (Cambridge) (LD): It is a shame that there is so little time for this important debate, especially given the wide interest in the House.

I should say at the outset that I welcome the Government's decisions on the consultation. They have made the right choices. I have one small quibble on the matter of expert evidence, but I have a suggestion that I hope might be helpful.

The high 95 per cent. attrition rate in rape cases is a matter of deep concern. Other crimes have similar attrition rates, but they are not as serious as rape. The hon. Member for Beaconsfield (Mr. Grieve) is right that there are inherent difficulties involving evidence in the vast majority of rape cases—some 80 per cent.—in which the victim knows the defendant. However, such a high attrition rate requires not just an explanation, but correction.

The attrition rate itself must be seen in the light of the whole process, not just the events at trial, although there is, of course, feedback between several parts of the system. There are at least seven points determining

[David Howarth]

when cases drop out of the system: whether they are reported by the victim in the first place; whether they are recorded by the police; whether they are pressed by the victim; whether the Crown Prosecution Service charges; whether evidence is offered by the prosecution in court; whether the case is put to the jury by the judge; and whether the jury finds the defendant guilty. There are problems at each stage, although I do not have time to go into all of them. There are worrying aspects of what happens in rape cases, which justify further action.

The hon. Gentleman pointed out that a sixth of cases drop out because they are not recorded by the police as rapes. "Without Consent", a report by Her Majesty's Crown Prosecution inspectorate and Her Majesty's inspectorate of constabulary that was published in January, shows that a third of those cases have been "no crimed", to use the jargon, mistakenly. The fact that the Home Office's counting rules are not being complied with in one third of those cases is a matter of deep concern.

The vast bulk of cases drop out of the system at the CPS charging stage. Why is that going on? For the most part, the CPS says that there is insufficient evidence, but that covers a vast variety of circumstances. The key is case building and co-operation between the police and the CPS—and bringing in the victim as well—to ensure that cases are as strong as possible. There are several purely practical problems at that stage: the quality of the interview; who is doing the interview; what they know about the law; and what they know about what will be required at trial.

The question of the quality of videos often comes up when one speaks to practitioners on the bench and at the Bar. Expanding the use and availability of video evidence is a good idea, but a video makes little difference—in fact, it can harm a case—if it shows the tops of people's heads and if what they are saying cannot be heard.

Moving on to the central point—jury acquittals in cases in which it is suspected that the jury has borne in mind myths and stereotypes about rape—research indicates that, unfortunately, it is not just juries who hold incorrect or objectionable views. Such views can also be held by the police and, dare I say it, prosecutors and even judges. The only comment that I shall make about the myths is that there is a difference between the factual errors to which people are prone, and the attitudinal problems. There are factual errors about what rape is—about whether it has to do with strangers or acquaintances, whether there is resistance, whether the person who is raped has reported it early, and even the extent of false allegation. There is very little objective evidence that there are significantly more false allegations of rape than false allegations of other crimes. One need only think of thefts reported for the purposes of insurance to see how the usually suspected differences are not always accurate.

There is a distinction between factual errors and attitudinal problems such as the belief that there is such a thing as contributory negligence—that is, that victims are to blame for the crimes committed against them. It will be easier to overcome the factual errors than to overcome the attitudinal errors. I differ slightly from the Government on one point—the question of expert evidence, and how one gets across the point about myths and stereotypes. I urge the Government to leave open the possibility of using expert evidence. The document seems to rule that out, but I urge them not to do so.

Mr. Grieve: I find it difficult to see that presenting a pack to a jury beforehand is not a form of giving them some expert evidence before they start. I find that distinction rather blurred.

David Howarth: The hon. Gentleman makes an important point, but juries currently receive some training on the general functions of juries in the form of a film, or short TV programme. I am attracted to the suggestion that the myth-busting document be delivered not as a booklet, which will have a rather limited impact, but as a film or TV programme. However, I add that the possibility of oral expert evidence should be left open. As I understand it, the Government's objection to that—the hon. Gentleman reflected this point—is that it would lead to a battle of experts. There would be an expert on one side and an expert on the other, and then a whole day would be spent in bickering.

Under rule 35 of the civil procedure rules—I must admit that I am more familiar with them than with the criminal procedure rules—the court has a power to order the parties to produce a single expert, agreed on by a panel. That might be a way forward that allows the possibility of an oral general expert witness system.

I want to make one further point about what happens at trial. It concerns sexual history evidence. I ask the Government to reflect further on a long-standing problem. A great deal of work has gone into the question of whether the former practice of regularly cross-examining women on their sexual history deters people from reporting rape, and it clearly does. The law has been reformed, but a report for the Government by Kelly, Temkin and Griffiths showed a need for further reform, further clarity in the law, and further care to be taken over the extent to which that evidence is allowed. It is true that for the most part, that evidence is now handled far more sensitively than it was before—partly, I suspect, because defence lawyers who go over the top with that sort of evidence know that what they are doing may be taken into account by the judge on sentence. Nevertheless, there is research on that point which indicates that a further look should be taken at such evidence.

The Government are on the right track and I congratulate them on the document that they have produced, but there is a very long way to go before we get justice for the victims of rape.

5.40 pm

Chris McCafferty (Calder Valley) (Lab): I am sure that Members in all parts of the House can agree that forcing someone to have sexual intercourse without consent is an appalling crime, and that the trauma of rape is one of society's most pressing problems. It has profound immediate and long-term consequences for women's physical and mental health, yet rape is shrouded in a cloak of secrecy and the problems that it creates are rarely acknowledged. So I welcome the Government's measures to help jurors and others

working in the criminal justice system, such as the police and judges, to understand the reality of rape and to try to dispel the myths and stereotypes that we have been discussing this evening, which contribute to the extremely low conviction rate for this offence.

My hon. and learned Friend the Solicitor-General has said:

"It is an undeniable truth that rape is a difficult offence to prosecute",

and she is rightly determined that all parts of the criminal justice system should work together to ensure that the cases that come to court are as strong as possible.

An Amnesty International opinion poll in 2005 showed that one third of the UK public believe that a woman is partially or totally responsible for being raped if she behaves "in a flirtatious manner", is "drunk" or is wearing "sexy or revealing" clothing. These attitudes, parading as common sense, appear to pervade the criminal justice system and many jury rooms. The reality of rape is that at least 47,000 women in England and Wales are raped each year, and the majority of those rapes are committed by someone whom the victim knows, often a partner or an ex-partner.

The Government's progress on rape since 1997 is commendable. Strengthening the existing legal framework further will not only improve the outcomes of rape cases in the UK, but send a strong message to the rest of the world that rape is an appalling crime, that it devastates the lives of victims and their families, and that rapists must and will be penalised accordingly. As well as strengthening the legal framework, it is important to improve care for victims and witnesses. I commend the Government on that area of work, too.

In my constituency, Calder Valley, the sexual assault referral centre has given much needed support to both victims and witnesses in a safe, women-only environment. The extension of this network will ensure that victims receive appropriate medical care and counselling, and will assist the police in their investigations through forensic evidence.

In the Government's action plan on sexual violence published last April, reference is made to the funding of the distribution of a legal handbook entitled "From Report to Court". That is for adult survivors of sexual violence and will help to demystify the criminal justice system and help victims to make an informed choice about whether to pursue a criminal justice resolution. I hope the Minister will be able to announce financial support to revise and reprint that valuable report.

In conclusion, I am delighted that there is to be more support for survivors of rape and other sexual offences, and strategies to improve the conviction rate. These are important strands of the Government's goal to end all forms of violence against women in the UK. I hope that parliamentary time will be found to debate the relevant legislation as a matter of urgency.

5.44 pm

Jeremy Wright (Rugby and Kenilworth) (Con): In view of the time and the number of hon. Members who want to speak, I will not go over ground that has already been covered, except to underline the point made by my hon. Friend the Member for Beaconsfield (Mr. Grieve) that over hundreds of years in this country we have deliberately constructed a system of criminal justice where there is a chance that the guilty will go free, to avoid the prospect of the innocent being convicted. I do not believe that the Government intend to undermine that principle, but we should address the issue, like all others within the criminal justice system, with that in mind.

I shall turn to what the Government want to do about what I accept is a real problem. The concept of general expert evidence causes me particular concern—I declare an interest as a non-practising criminal barrister. If the evidence is agreed between the parties, it seems to me that it must be equivocal—it must be the sort of evidence that will not tremendously assist the jury. If it is a question of two separate experts giving evidence on the likely behaviour of a rape victim, neither of those experts will be dealing with the specific set of circumstances that the jury is confronting in the case.

That the evidence may not be of particular assistance to the jury in deciding the specific circumstances of the case is not the only issue, because the situation may be worse than that. If the expert or experts provide a list of the types of behaviour in which a genuine rape victim may engage, the danger is that if a particular genuine rape victim, who is the prosecution's main witness, has not demonstrated any of those types of behaviour, the jury might conclude that that person is not therefore a genuine rape victim. That is a real concern about the Government's proposal.

It would be wrong to conclude that the problem is necessarily within the trial process. Other hon. Members have already referred to the fact that the attrition rate is most severe in cases of rape before the case gets anywhere near a jury. I shall make one quick remark about videotaped evidence in chief, which, broadly speaking, I support—it seems sensible to extend that measure. My only caveat is that it seems equally sensible that the judge should make it clear to the jury that that option is available to every complainant in a rape case, so the jury does not have the sense that videotaped evidence marks out that particular case as distinctive, which might be prejudicial to the defendant. It seems to me that that would be a sensible safeguard.

The other half of the argument is just as important, if not more so. It concerns how one assists those who complain of rape, through every stage of the process. I accept the Solicitor-General's statement that it is helpful to have sexual assault referral centres. However, I wonder whether, in parts of the country where there are already very successful voluntary sector agencies providing just that type of support, it is really necessary to reinvent the wheel.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): The Solicitor-General opened the debate by criticising the Conservative Government, but over the past 11 years we have seen the end of the yearly funding cycle for rape crisis centres. The number of centres has fallen from 68 to 45, and support for victims is now worse under this Government than it ever was before.

Jeremy Wright: I agree with my hon. Friend that it is not helpful to approach such serious matters in a partisan manner. As my hon. Friend the Member for Beaconsfield has said, it is regrettable that the Solicitor-General engaged in doing that earlier.

[Jeremy Wright]

I want to conclude by discussing the crucial question of the voluntary sector. In my constituency there is an organisation called Rugby ROSA—the Rugby rape or sexual abuse support project. That organisation provides first-class support to precisely the people whom we have been discussing throughout this debate. It will run out of money and shut down entirely in March, unless something substantial is done. I do not see why it is sensible for the Government to invest money in a new organisation when they could invest in existing voluntary sector bodies that do the same work just as well, if not better.

It is worth noting that that organisation in my constituency is the only organisation in Warwickshire that offers support not only at the time of a criminal proceeding, but for a long time thereafter, and not only to women, but to men, too. It is important to remember that the victims of rape or sexual abuse are male as well as female, and it is important to make sure that the provision of support and services is across the board and for both sexes. I hope very much that the Solicitor-General can help me with that.

I also hope that there is not a situation in which Government funding is allocated for the sexual assault referral centres, but money that could go to the voluntary sector to support the type of services that I have described is diverted into other services that simply replicate—or perhaps do not do as well as—the work that the organisations in my constituency and elsewhere do exceptionally well.

I hope that in pursuing what I understand are well-meant efforts to deal with what I accept is a serious problem, the Solicitor-General does not throw the baby out with the bathwater and damage the best aspects of the British justice system or reinvent the wheel by making the state an inadequate substitute for what the voluntary sector already does well.

5.50 pm

Shona McIsaac (Cleethorpes) (Lab): As I said earlier, while many Members were enjoying their summer holidays I spent most of my time ensconced in a court room, dealing with just these types of cases. What I want to say is based not only on my experience as a juror on rape cases, but on my work experience before entering the House, when I worked on many mass-market women's magazines and on teenage magazines. In addition, I represent Cleethorpes, whose neighbouring constituency is Great Grimsby. Ian Huntley committed many sexual offences in those two towns before going on to murder the two little girls in Soham. Nobody believed the young women who kept coming forward to say that Huntley had sexually assaulted or raped them.

First, I want to praise the Government, who have done a lot, although we can do more to increase the conviction rate.

Mrs. Dorries: Done what?

Shona McIsaac: The hon. Lady asks what the Government have done. She does not know her subject. The Government have done a great deal to assist rape victims.

Jury education is vital; the myths need to be dispelled. I have listened to what other Members have said, particularly the Opposition Front Bencher, the hon. Member for Beaconsfield (Mr. Grieve), many of whose comments were completely wrong. The Liberal Democrats have got it right. Jurors have to sit through training on their first day, when they are shown videos, given leaflets and told all sorts of things. People can do it; leaflets to guide people, not necessarily only in rape cases, but in any cases, could easily be produced. Generally speaking, however, people know what robbery is, but there are still myths around rape. The myths that there were when I was working on women's magazines are still there now, and we must tackle them if we are to convict more rapists.

Over the years, I have heard all sorts of things about rape cases—"She wasn't upset enough," "She wasn't traumatised," or "She was truanting from school." Such allegations get thrown in to cast aspersions on a person's character. If the victim did not run away, fight back or scream, or if they knew the accused, or had had a drink or a joint, people almost believe that there was contributory negligence. That implies that the woman—such cases largely involve women, although not always—somehow brought it on herself. We owe it to justice to spell out that issue so that jurors know that those are all myths.

If we are to consider the court experience, we need to do an awful lot more work on consent and what constitutes consent. Again, it is almost as if there were contributory negligence—"She accepted a lift from him," or "She went for a drink with him, got in the car and went back to the flat; she knew what was going to happen." People believe that such prior activities constitute consent. That issue has to be spelt out to jurors far more explicitly.

We must also consider the test of being beyond reasonable doubt. That needs to be spelled out to juries, particularly in these kinds of cases. I am sorry to say this, but far too many defence barristers say to people, "If you have any doubt". The test is whether something is beyond reasonable doubt, not any doubt.

The victim statement should be given to the jury when it retires to consider its verdict. At the moment, only the alleged rapist's statement is given to the jury. If it is a long trial or there are multiple defendants—if, say, it is a gang rape—we only get their version, not the victim's. If the victim's version was given, we would serve justice very well.

My hon. and learned Friend the Solicitor-General has done a good job. If anybody has been through these experiences and wants to get in touch with me, I am happy to listen to their experiences.

5.55 pm

The Solicitor-General: With the leave of the House, Madam Deputy Speaker.

Something very queer went wrong with the clock earlier; it seemed to go in two directions at once. I told the hon. Member for East Dunbartonshire (Jo Swinson) that I would deal with "Map of Gaps", the report by End Violence Against Women, and I will do so now. I have immense respect for End Violence Against Women. Liz Kelly, the chief researcher on that document, is going to serve on our group of experts,

which aims to produce some myth-busting information and to advise on how it might be put before juries. The research in "Map of Gaps" is a useful snapshot of local services for women who have suffered violence, and it shows some significant gaps.

Contrary to the assertions of the hon. Member for Mid-Bedfordshire (Mrs. Dorries), our funding of support services for those who have suffered from violence against women has increased enormously—from £250,000 annually in 1997 to £3 million now. She really needs to think, read and understand that the Government whom she supported did nothing about domestic violence and nothing about rape. Unfortunately, the speeches by Conservative Members indicate that their attitudes have not changed. I agree that Rape Crisis centres need securer funding. We have a stakeholder group working with Rape Crisis, and we have rolled over its victims fund financing for another year to help it to secure its funding, which will ultimately have to be local.

My hon. Friend the Member for Luton, South (Margaret Moran) made the good point that the 5.7 per cent. conviction rate hides a lot of variations. Some police forces manage as high as 13 or 14 per cent., others less than 1 per cent. We now have a Home Office unit working with the police to spread best practice. That should help considerably, practically and quickly. I am grateful for the broad welcome for the document given by the hon. Member for Cambridge (David Howarth). I agree that previous sexual history and its admission continue to be an issue.

I welcome the doughty support of my hon. Friend the Member for Calder Valley (Chris McCafferty). I welcome, too, the sensitive response to jury service that my hon. Friend the Member for Cleethorpes (Shona McIsaac) demonstrated. She has talked to me about that issue several times, and she has confronted the issues on the front line that we are trying to develop policy to deal with.

I was disappointed by the responses of the hon. Members for Beaconsfield (Mr. Grieve) and for Rugby and Kenilworth (Jeremy Wright), who made poor contributions cautioning me that we must not bend the rules against defendants at a time when we are trying to make trials fair for victims as well—a long-term and profound need that they continue to be unwilling to address. It was clear that the hon. Member for Beaconsfield had either not read the document or misunderstood it, because video evidence will not be forced on to any rape complainant, but will be a matter of choice on the face of the document. Furthermore, I am afraid that his inept or deliberate attempt to textually criticise a paragraph in the document to try to undermine what the Government intend to do reflects badly on the Opposition, on a total lack of interest, despite the leadership of the right hon. Member for Witney (Mr. Cameron). We will continue to champion the rights of rape victims.

Question put and agreed to.

Resolved,

That this House has considered the matter of the Government consultation on convicting rapists and protecting victims.

Allergy Services

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

6 pm

Jo Swinson (East Dunbartonshire) (LD): I am delighted to be able to introduce this debate on allergy services. Allergy comes in many varied forms and guises. It can be mild or severe; it can affect one organ only or several parts of the body; its severity can vary over time; and there can be a single allergic cause, or several. By their nature, allergies are complex. We certainly need to carry out further research into how they work, in order to improve the way we treat and even prevent allergy and to bring better quality of life to allergy sufferers.

At this point, I feel that I should declare an interest, having suffered from allergies since a very young age; indeed, I recently completed the Loch Ness marathon in aid of the charity The Anaphylaxis Campaign. I have a severe reaction if I eat any nuts, which results in the onset of anaphylaxis and an emergency trip to hospital. The excellent work of charities like The Anaphylaxis Campaign and Allergy UK in raising awareness of allergies and providing support to sufferers should be commended.

The first myth to dispel is that allergies are a niche issue. Recent research consistently shows huge increases in both the amount and seriousness of allergies occurring in society. In this House, many Members have experience of allergies either personally or within their families, and indeed recently I was delighted to be a founding officer of the new all-party parliamentary group on allergies, along with the hon. Members for Dagenham (Jon Cruddas) and for Eccles (Ian Stewart).

In truth, this is an area of urgent concern, an issue of major proportions and a matter that the Royal College of Physicians has seen fit to label an "epidemic". Against this backdrop of growing seriousness, I want to use this timely debate to ask why there is such a lack of urgency from the Government to tackle what is, in terms of our future health needs in this country, a sleeping giant.

Rates of allergy in this country are among the highest in the world. An estimated 30 per cent. of the population have an allergic disease—that is 18 million people. Among children, this figure rises to 40 per cent. In any one year, 12 million people—a fifth of the population—will seek allergy treatment. All the evidence indicates that the amount and seriousness of allergies is increasing rapidly. The Royal College of Physicians has estimated that there has been a threefold rise in incidents of allergy in the last 20 years.

Severe and life-threatening allergies are now more common, with increasing numbers of children affected in particular. Peanut allergies, previously rare, now affect one in 70 children. Latex allergies now affect 8 per cent. of health care workers, whereas before 1979 only two cases had been reported. Hospital admissions for anaphylaxis have increased sevenfold in the last decade.

The financial cost of allergy to the health service and the economy as a whole cannot be ignored. More than 12.7 million working days are lost each year as a result of asthma alone, and Asthma UK has placed the total annual cost of asthma to the economy at £2.3 billion. Adverse drug reactions account for 5 per cent. of all hospital admissions, and 15 per cent. of in-patients have a hospital stay prolonged as a result of drug allergy. Allergic disease accounts for 6 per cent. of GP consultations and 10 per cent. of the GP prescribing budget. The cost of allergy to the national health service has been estimated at £1 billion.

Figures can be persuasive, but it is often people's individual experiences that make the most compelling case. This quote comes from one serious allergy sufferer:

> "My quality of life is non-existent. I know this may sound extreme to a lot of people but I would be prepared to lose an arm and a leg if it meant my asthma would go away. I face daily restrictions in every aspect of my life. I don't have enough breath to push a trolley around the supermarket. I'm not allowed on an aeroplane and it's impossible for me to get travel insurance. Winter is also a problem for me—I can't go outside because the cold air can set off my asthma."

A couple of my constituents who suffer from a latex allergy came to see me. Eleanor McKendry previously worked in the NHS where she developed the allergy and so is no longer able to work in her trained employment. She even finds attending out-patient appointments as a patient a challenge, owing to the lack of provision of latex-free environments, even within our hospitals and health care services. Lesley Shannon, another constituent, faces a daily game of Russian roulette even when she goes to do her grocery shopping. She has found that supermarkets often have latex balloons that advertise in-store promotions but which can trigger a life-threatening reaction if she is anywhere near them.

I know from experience how terrifying an anaphylactic reaction is. Symptoms develop quickly, within minutes of exposure to the allergen. I get an unpleasant tingling sensation in my mouth and throat, which is soon replaced by swelling, and breathing becomes incredibly difficult. At the same time, my forehead and palms start to sweat, feeling clammy, and I come over all feverish. My heart rate speeds up, prompting a feeling of panic that is not helped by the fact that I find it difficult to draw breath. That is a terrifying enough experience for me, an adult who has experienced it before. I understand my condition and know what I have to do—get to hospital, where I will be treated successfully. I also know that I am carrying an emergency dose of adrenalin in my handbag if I should need to take that en route to the hospital. How much worse must it be for the parent of a baby or young toddler who cannot explain their symptoms if the child goes from being perfectly okay to life-threateningly ill within a short space of time? That is what people face.

There are many difficulties. First, the range of allergens is broad. Common food allergens include nuts, fish, seeds, milk and kiwi fruit. There are many others, too. There are also chemicals, latex, dust, pollen, house mites and grass—the list goes on. Identifying the allergen can be difficult, and avoiding it is sometimes impossible.

I have given the examples of Eleanor trying to avoid latex in health centres and Lesley trying to avoid it in shops. As someone with a nut allergy, I can assure hon. Members that ensuring I do not eat any nuts is no easy task. Companies seem to be more aware of their responsibilities, but rather than providing helpful information, more often there is a generic statement

that the product may contain traces of nuts. I challenge hon. Members to look at the back of packets next time they do their shopping—they will see just how many products carry such warnings. Even in the catering outlets in the House, a legal disclaimer at the bottom of every menu states that nothing can be guaranteed nut-free. I wonder where I am supposed to eat.

Many issues surrounding allergy must be addressed, and I hope that the all-party group will do so over the coming months. That needs to be done not only with the Department of Health but with those in charge of housing, the environment and business regulation. However, I want to focus on the right course of action for the Department of Health to tackle this growing and potentially fatal condition.

Four key reports from recent years inform the allergy debate. The first, produced by the Royal College of Physicians in 2003, puts into stark relief just how urgent the allergy epidemic has become. Worryingly, it states that, for allergy patients, the health service is

"failing to meet the most minimal standards of care".

It paints a picture of a service in which GPs deal with the majority of allergy cases, despite having no clinical training in allergies, and in which patients are referred to a succession of different specialists, resulting in confusion and inadequate treatment.

The overriding criticism in the report is of the shortage of specialist allergy expertise. The whole UK has just six fully staffed allergy clinics, unequally distributed with a strong south-eastern bias. There is a major shortage of specialists with expert knowledge. It is reckoned that there is one consultant in a mainstream medical specialty per 100,000 members of the population; the equivalent figure for consultant allergists is one per 2 million.

The report's recommendations are clear: to create more consultant posts and funded training posts in allergy, to form the basis of a genuinely national allergy service for the NHS, to set up regional allergy centres with appropriate staff levels, and to ensure even distribution across the country by locating at least one such centre in each former NHS region.

The second report was published in 2004 by the Select Committee on Health. It mirrored many of the points made in the 2003 report. It, too, identified a lack of training and expertise in allergies among health professionals in primary care. It also found that the level of allergy expertise at consultant level was inadequate and called the distribution of just six allergy centres "manifestly inequitable". The Select Committee supported the royal college's proposal for a specialist allergy centre in each former NHS region, with a minimum of two adult and two paediatric allergy consultants. Long term, it argued that allergy should have a full specialist consultant work force, as is the case in many other countries, with an extra 10 training posts introduced year on year.

The Government's response to the Health Committee's report pledged a review of allergy data and demand for treatment. Disappointingly, however, it failed to address directly any of the Committee's recommendations, whether on GP training, consultant numbers or specialist allergy centres. I hope that perhaps today the Under-Secretary can respond to the specific points that the Committee's report raised.

In 2006, the Department of Health published its review, as it said it would in response to the Health Committee report. However, again, those hoping that the Government would act on the Health Committee recommendations were left wanting. Despite conceding that people with allergies often feel let down by the poor service that they receive, finding that some people can wait three to nine months for an appointment to see a consultant and even stating that

"a significant number of deaths could potentially be prevented"

by an improved service, the review's recommendations fall short of what was hoped for.

The review finds that incomplete research makes it difficult to establish compelling evidence of the need for and quality of allergy services, and raises problems with drawing up a strategic national view of how services should be developed. We are told that the Department will ask local health commissioners to establish levels of need for allergy services, allow strategic health authority work force planners to explore scope for additional training places and ask for development of National Institute for Health and Clinical Excellence guidelines on allergy to be considered. Given that that response was made in 2006, I hope that the Under-Secretary will take the opportunity to update the House on the action that has been taken on those recommendations.

The House of Lords Science and Technology Committee report on allergy was published in September this year. Again, the findings are familiar. The report's recommendations echo those of the Royal College of Physicians and the Health Committee, especially on the need for specialist allergy clinics and improved GP training. Helpfully for the purpose of the debate, the Government's response to the Lords report was published earlier this week.

The response reinforces the Department's determination to devolve decision making on allergy care and avoid developing a strategic overview of allergy services. It states that

"local need is what will determine how allergy services should be provided",

placing the responsibility for allergy services squarely in the lap of primary care trusts.

On GP training, the response notes that no allergy-related guidance topics have been included in the NICE work programme yet. It states that the Department of Health

"is not responsible for setting curricula for health professional training",

but, clearly, the Under-Secretary knows that she can bring her influence to bear. What does she intend to do to ensure that our GPs receive the training they need to diagnose and treat allergies swiftly and effectively, especially given that more and more people are coming through their doors who need that expertise?

I have set out the evidence that makes it clear beyond doubt that we are facing an allergy epidemic. Increased numbers of allergy sufferers, increased severity of allergies and especially pronounced evidence among children are all symptoms of the problem. I have set out the recommendations of the Royal College of Physicians as well as those of the Committees of both Houses. They centre on the need to increase consultant numbers and the provision and geographical equity of

[Jo Swinson]

specialist allergy clinics, and to improve the training of GPs in allergy diagnosis and treatment.

I have also covered the Government's reaction to the problem, both through their responses to the Select Committee reports and their review, which was published last year. They amount to an admission that there is a problem, as well as a commitment to assess how to deal with it, but unfortunately little more than that.

I would like to ask the Under-Secretary to answer some further questions. Does she agree that there is a considerable gap between the necessary measures recommended by independent reports into allergy services and the steps that her Department has so far proposed to take? How seriously does she take the allergy epidemic that we face? We must remember that we are talking about a problem that affects 18 million people in this country. Does she think that enough is being done about it? Does she genuinely believe that local primary care trusts are best placed to combat the allergy epidemic? We all understand the notion that solutions are best delivered in response to local needs—and we want our health care services to be locally accountable—but, given the constraints faced by PCTs on budgets and through centrally driven targets, coupled with the lack of strategic central guidance on allergy, I fear that there will be little incentive for them to make tackling allergy their prime concern.

I look forward to the Under-Secretary's comments.

6.13 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I congratulate the hon. Member for East Dunbartonshire (Jo Swinson) on her success in the Speaker's ballot and on choosing allergy services as her subject. It is clearly close to her heart and it is an important topic to debate. I thank her for bringing to our attention an issue that affects so many people in our country.

I pay tribute to the hon. Lady's gallant fundraising efforts, especially for the Anaphylaxis Campaign, which plays an important role in supporting people who are affected by anaphylaxis. I am a former nurse and have been on the receiving end of patients admitted in anaphylactic shock, so I recognise the obvious fear and anxiety felt in that situation.

As the hon. Lady is acutely aware, I take very seriously allergic reactions to pollen, pets, foods and a range of other agents that she mentioned, and in particular reactions to latex among NHS staff. The number of people suffering from allergic reactions has trebled in the past 20 years and a third of the population are estimated to suffer from an allergy at some point in their lives. The severity of the reaction ranges from mild to severe and potentially life threatening, and the treatment options reflect that huge range.

Many people choose to self-diagnose and treat. Others may require treatment from their GP surgery or in specialist clinics. Many experience serious consequences because of their allergy. Each year there are more than 3,000 hospital admissions for anaphylaxis alone. Allergic conditions represent a huge challenge, not just for our health care system, but for society as a whole. In addition to the obvious health effects, allergic reactions can make the most simple and everyday activities difficult—including even eating in this House, as the hon. Lady said—and can pose a major risk to an individual's health and well-being.

The timing of this debate is opportune, as the hon. Lady acknowledged. On 27 November, the Government published their response to the House of Lords Science and Technology Committee report on allergy. We welcomed the Committee's report, which highlighted the fact that the issue needs to be addressed by a range of stakeholders, including the Government. We recognise the importance of allergies and are committed to helping to alleviate the burden of allergic disorders. The Command Paper that we published on Tuesday highlights some of the strategies that are being developed and implemented to address the challenge illustrated in the Committee's report. I shall touch on those later.

The Lords Committee inquiry into allergy is of course not the first time that allergy issues have been scrutinised by a parliamentary Committee. In 2004, the Health Committee published a report of its inquiry into the provision of allergy services. That report reflected earlier findings published by the Royal College of Physicians in 2003, namely that serious problems existed in the provision of allergy services.

In response to the Health Committee's report, we carried out a review of the available data and research on the epidemiology of allergic conditions, the demand for and provision of treatments, and the effectiveness of interventions. Working closely with stakeholders—people with allergies and their families, patient groups, clinicians and representatives from the independent sector and industry—we sought to identify actions that could be taken at local and national levels to improve services for allergy.

The review was crucial as a first step towards building a programme of improvements that would be based on sound evidence and reflect the views of stakeholders. The review report, which we published in July 2006, highlighted the range of existing service provision for allergy. That provision includes more than 90 allergy clinics in England led by a range of specialists, including allergists, respiratory physicians and dermatologists, as well as services provided by general practitioners, the mainstay of allergy care. I note the hon. Lady's point about GP training, which I hope we will take note of in Ara Darzi's report on chronic conditions.

The Department of Health's review identified good practice across the wide range of services available for people with allergies, and the spectrum of skills and competences of clinicians involved in their care. To take just one example, clinical immunologists at the Royal Victoria infirmary in Newcastle oversee a nurse-led allergy clinic, in which a nurse will see a complete referral and go through the whole treatment process without having to consult a doctor.

In their reports, both the Health Committee and the Royal College of Physicians made the case for a model of care that would be driven and funded from the centre. In taking forward our improvement and reform agenda, we have moved away from a top-down management approach, as we develop a devolved and self-improving health service, where the main drivers of change are patients, commissioners and clinicians. Indeed, the Department's review concluded that one of the key

levers for change for allergy services in the future will essentially continue to be for local rather than national level action.

Jo Swinson: I accept the Minister's premise that it is important to have local drivers for health care, but some aspects surely need to be driven by a national strategy—for example, the number of training places that are to be provided for consultants and junior doctors, so that our allergy specialists of the future can be trained. I am worried, given the present rate of training, that we will end up with fewer allergy specialists than we have now, because of the number that will retire in the coming years. What will the Minister do to expand the number of training places in specialist allergy services?

Ann Keen: I take the hon. Lady's point very seriously. The management of chronic conditions is part of Lord Darzi's review. During that review, we are looking at work force planning, training and specialist skills, and in particular, at raising the role of the specialist nurse in this area. That is why it is so important that we understand local needs, and that the consultation is driven by local people and local clinicians.

The Department's review concluded that one of the key levers for change for services for allergy in the future will, essentially, continue to be for local rather than national level action. It is for local health commissioners to consider the need for local services in light of local priorities. The evidence presented in the report of our review should help them to do so. The new report by the Lords Science and Technology Committee adds to that evidence base.

We published the commissioning framework for the acute sector last year, and followed it with the commissioning framework for health and well-being, which was issued as a consultation document this March. PCTs have to carry out a local needs assessment, identify gaps or inadequacies in provision, and then produce a strategic plan for their health community. One of the key requirements of this process will be to ensure that patients and the local community are properly involved in the process of deciding priorities. Through patient choice and expert commissioning, local communities will be able to determine the type and quality of services that they require in order to deliver better health care.

We have considered, with the National Institute for Health and Clinical Excellence, the scope to develop definitive clinical guidelines for allergic conditions. We have commissioned Skills for Health to develop with stakeholders national occupational standards for the UK for allergy, and commissioned the Royal College of Paediatrics and Child Health to scope the development of care pathways for children with allergic symptoms. We have also endorsed the need for more training numbers for allergy as part of the annual review process. We have asked deaneries and trusts to consider the possibility of increasing local training posts for allergy, and invited key research funders to note the gaps in the research evidence highlighted in the review.

Some of these actions are referred to in the Government's response to the House of Lords report. The focus of the Lords inquiry was wide-ranging and explored the impact of allergy not only on the health service but on society and the economy as a whole. Nevertheless, at the core of the Committee's report were a number of recommendations of direct relevance to this evening's debate—not least those relating to the provision of specialist allergy centres and work force capacity and capability, which I know are of particular concern to many people, including the hon. Member for East Dunbartonshire and, I would guess, my hon. Friend the Member for Falkirk (Mr. Joyce).

Mr. Eric Joyce (Falkirk) (Lab): I thank my hon. Friend for giving way—

Madam Deputy Speaker (Sylvia Heal): Order. It is customary in these debates for Members to ask the permission of the Member whose Adjournment debate it is, and of the Minister, before intervening. I wonder whether the hon. Gentleman has done that.

Mr. Joyce: I have indeed, Madam Deputy Speaker.

Madam Deputy Speaker: That is fine. Thank you.

Mr. Joyce: I congratulate the hon. Member for East Dunbartonshire (Jo Swinson) on securing this important debate. A number of my constituents have raised this issue with me. They have also been extremely complimentary about the organisation Allergy UK and, in particular, about those little cards that it issues containing information in many different languages. This is a small but important point. Those cards enable people to travel around the world with information on the things that they are allergic to in their pocket. Several of my constituents have come up to me individually and been very complimentary about Allergy UK, and I wanted to put that on the record.

Ann Keen: I thank my hon. Friend for raising that point and for the important work that he and the hon. Lady do on the all-party group on allergies.

The Committee's proposal to establish a lead strategic health authority for allergy merits careful consideration and we shall explore the feasibility of that approach with interested parties, including strategic health authorities and specialised commissioning groups. If a lead SHA were established, it would need to evaluate with its PCTs and in light of local needs and priorities whether a pilot allergy centre would be more beneficial to people suffering from allergies than other possible models for enhancing local services. The spirit behind this is to show the hon. Lady the extent to which flexibility could be delivered around allergy services.

In our own review of allergy services, we acknowledged that there would continue to be a need for a critical mass of allergy specialists. We have been able to create an additional five centrally funded allergy training posts this year and five immunology posts as well. We have asked the NHS to look at whether it needs to commission more local training posts. We have also recognised the importance of GPs and others in primary care having sufficient clinical knowledge.

Jo Swinson: The Minister is being very generous. She says that she has asked the NHS to report back on whether it feels the need for more training posts, so can she clarify when the response from the local NHS is expected?

Ann Keen: I am happy to write to the hon. Lady, as I do not have that information at the moment.

Work on national occupational standards to provide a competence framework for all staff is also very important, as was mentioned earlier. In terms of professional education, the Lords Committee's recommendations are consistent with our review. We would encourage the royal colleges to work together with the bodies responsible for medical training at all levels to enhance the knowledge and expertise of those working with people with allergies.

In conclusion, the hon. Lady has raised many important points this evening. We welcome this debate and share her desire to see that people living with allergic conditions receive the services they need and deserve. Reforming health care is all about finding out the facts, identifying the problems and facing up to the challenges with strategic solutions, which we have sought to do through our review of allergy services. Our response to the House of Lords inquiry demonstrates, I hope, our continued commitment to improving allergy services. I can assure the hon. Lady that the Government will continue to provide support and encouragement to the health service to ensure that that happens. I would also encourage the hon. Lady and my hon. Friend the Member for Falkirk to continue with their excellent work on the all-party group.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Six o'clock.

House of Commons

Monday 3 December 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Iraq

1. **Mike Penning** (Hemel Hempstead) (Con): What he expects UK troop levels to be in Iraq in each of the next three years; and if he will make a statement. [169645]

The Secretary of State for Defence (Des Browne): We have set out our plans for Iraq to spring 2008, when we plan to reduce UK troop numbers in southern Iraq to around 2,500. Decisions on the next phase will be made at that time, guided always by the assessments of our military commanders and the actual conditions on the ground.

Mike Penning: As this is probably the last Defence questions before Christmas, I should like to send our best wishes and condolences to the families and loved ones of the servicemen who have lost their lives, and our wishes for a speedy recovery to the injured, who are still returning from Iraq and Afghanistan.

If we are to reduce our troops in the Iraq field of operations to approximately 2,500, can the Secretary of State guarantee that there will be enough force protection should the current situation deteriorate?

Des Browne: I thank the hon. Gentleman for his initial words, which spoke for everyone in the House, and I associate all on the Government side—and, if I may presume to, everyone else in the House—with them; I am sure that they will be noted. I take this opportunity to commend the hon. Gentleman and thank him on behalf of the whole House for his arrangement of the very welcome welcoming party for 12 Mechanised Brigade in the House. That gave us all an opportunity to say thank you to those brave young men and women for what they have achieved in Afghanistan.

The hon. Gentleman raises an important issue, which has also been considered in detail in the welcome Defence Committee report published today. I assure the hon. Gentleman and everyone in the House that all our decisions on troop numbers are taken on the best and most detailed military advice. At the top of all our considerations is force protection. Under no circumstances would we take decisions that meant that we did not have sufficient force protection for those whom we deployed into the theatre in Iraq or anywhere else.

Ann Clwyd (Cynon Valley) (Lab): Last week, seven members of the all-party group on Iraq returned from a successful visit to Baghdad. We found that refugees are returning from Syria and Jordan to Iraq because the security situation has improved. May I say that we talked to four American generals and the British general as well as the leading figures in Iraq, and that the mood is one of cautious optimism?

Des Browne: I thank my right hon. Friend for two things: first, for her consistent support for the Iraqi people, which stretches well beyond the current circumstances of the operations in Iraq. She consistently supported them through the days of Saddam's despotism and she deserves to have that recorded in the House on as many occasions as possible. Secondly, I thank her for arranging for a cross-section of the House to go to Iraq with her.

I am sure that my right hon. Friend reports back from Iraq what many of us who have recently been there have seen, namely that there is a significant degree of progress. However, that progress is fragile and, as my right hon. Friend well knows, whether it is sustained depends on the Iraqi Government and Iraqi security forces being able to take advantage of the opportunity that the surge and other developments have created.

Mr. James Arbuthnot (North-East Hampshire) (Con): I am grateful to the Secretary of State for what he said about the Defence Committee's report, which is out today. Is he aware of my dismay, and the dismay that I am sure will be felt by all members of the Select Committee, at the headline in the *Daily Mirror* today—"UK's Iraq mission a 'failure'"? That is not what the Defence Committee said; it said precisely the reverse. Clearly, there are real problems in Basra, not least with the police, but some of the things that our armed forces have been doing there—training the 10th division of the Iraqi army, for example—have been an outstanding success, and deserve congratulations.

Des Browne: I thank all the members of the Defence Committee and the right hon. Gentleman, who chairs it, for what, I repeat, is a welcome report. It is a balanced report; I read it over the weekend, having had an advance copy of it, and I welcomed it in the press release that I issued this morning.

To a degree, I share the dismay of the right hon. Gentleman—and, I am sure, that of other members of his Committee—at how the report has been represented in some quarters of the media. However, I have to say that I am getting used to only one side of the Iraq story ever being told. The report is compulsory reading for those who want to know, in a balanced way, what is happening in Iraq.

Significant progress has been made, and our troops there deserve enormous credit for what they have achieved. I will not go through the list of achievements over the past nine months or thereabouts, in particular, but it is significant. It is a fragile opportunity, however, and the Select Committee has identified the questions

that we need to ask and the continuing challenges. In our response to its report, we will endeavour, in so far as we can, to give a comprehensive response to those questions.

Dr. Gavin Strang (Edinburgh, East) (Lab): The House will surely welcome my right hon. Friend's reaffirmation of our plans for troop numbers in Iraq, but can he confirm that, beyond the spring of 2008, it is still the intention further to reduce the number of Army personnel in Iraq?

Des Browne: All the responses that I have received to my right hon. Friend the Prime Minister's statement to the House about troop numbers have welcomed the reduction, but as against a serious consideration of the conditions on the ground and always qualified by the fact that we need to keep matters under review. It is our plan to reduce troop numbers to 2,500, and over the past 18 months we have consistently been able to meet the plans that we have laid out in advance. Our eventual plan, of course, is that when the Iraqi security forces are able to take over total responsibility for security in the south-eastern part of Iraq, we will hand over to them. However, I believe that we will need to continue to support them beyond that point with some degree of training or mentoring, although that will not need to be done with the numbers that we currently have in theatre. Exactly when we are able to get to that point will depend on developments. We have not yet got to the stage of provincial Iraqi control, although that is planned to happen before the end of the year, and we will need to assess the position then. We will need to carry on as we have over the past months and assess the position as we go along, taking careful steps so that we do not regress.

Nick Harvey (North Devon) (LD): The Defence Secretary says that the goalposts have moved and we can now have 2,500 British troops in Iraq—whereas the Minister for the Armed Forces previously said that we would need 5,000 to ensure their security—because we now know more about the tasks that those 2,500 troops will be undertaking. But how many will be involved in training the Iraqi forces—for example, in operations on the Iran-Iraq border—and what proportion will be reliant on Iraqi security forces for their security?

Des Browne: That issue was raised in some detail in my evidence session before the Select Committee, which may well be the source of the hon. Gentleman's comments. The reason for the difference between myself and the Minister is simply that he was talking at a different time, and the situation has moved on. I accept that the precise figures that the hon. Gentleman looks for will have to be given to the House in the broadest possible sense—consistent with force security, of course—but we are not yet at that stage because we do not yet have provincial Iraqi control. This is all conditions based and based on military advice. As we go along, we will move towards our planned figure of about 2,500 troops. However, the precise figure, as well as exactly which of them will be training and mentoring, which will be involved in operations including protection of routes or operations around the border, and which will be there for force protection and/or to stand ready to support the Iraqi security forces if necessary will be a matter for judgment and military advice at that time. I am not yet in a position to give those precise figures.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I thank the Secretary of State for his comments about the Defence Committee's report. We look forward to receiving his reply. With the space that has been created by our troops for the Iraqis to take increasing responsibility for themselves, what is happening about the economic initiatives planned for Basra province, which the Prime Minister told the House about on 8 October?

Des Browne: I thank my hon. Friend for that question. I am, however, Secretary of State for Defence, not for development, and I do not want to anticipate announcements that will be made after the time when there is provincial Iraqi control. That will be the appropriate time to make those announcements, because that is when those complementary economic initiatives can be launched. It is no secret that the Government intend to support an economic initiative that is based on Basra, in particular, and is designed to exploit the resources of the Iraqi Government, who have sufficient resources from their oil revenues to be able to invest there. Apart from that, support is available from other countries in the international community to make the best of the oil exploration opportunities, especially given that Basra is a very important city for Iraq because of the port at Umm Qasr and Basra airport, which has been subject to significant development and is now increasingly handling commercial traffic. Such opportunities will be taken forward with the staff of the construction agencies, some of whom are volunteers from the international business community.

Mr. Gerald Howarth (Aldershot) (Con): Since the Government are maintaining an intention to reintervene in Iraq, what would be the criteria for such reintervention, and where would the men come from, given that the Army is 3,600 men short? According to the Government's most senior military adviser for the Army, General Sir Richard Dannatt, our reserves to meet the unexpected are almost non-existent. Is it not time that the Secretary of State told the Prime Minister to stop betraying our armed forces and gave the nation's finest the tools to do the job?

Des Browne: I say to the hon. Gentleman that the support this Government have given the armed forces has been second to none in terms of investment. He comes at this issue with the same disability as all of those in his Front-Bench team, which is that he always fails to make a spending commitment—oh no, of course, he did. On "Newsnight", he made a commitment to spend more on the armed forces, but that was a personal commitment, not one for his Government, as I understand it—sorry, I meant his party in Government.

As for reintervention, the most important point about the process of provincial Iraqi control is that a judgment is taken as to whether Iraqi security forces are able to look after the security of the province that is handed over to them. We in Government, with the Iraqi Government and our allies, have done that successfully three times now, and on each occasion we have handed over provinces where we have not had to go back and

intervene. That has been achieved because part of the calculation involves the ability of the Iraqi security forces to handle problems that may arise. There will be of the order of 50,000 trained Iraqi security forces in the Basra area and surrounding areas by the time we move to provincial Iraqi control. Our judgment is that the responsibility for an area lies first with them; we will have sufficient forces in theatre to support them should the need arise, but it has not, and that is part of the judgment governing the decision to hand over control in the first place.

Ministerial Responsibilities

2. **Mr. Andrew Robathan** (Blaby) (Con): What proportion of his working time he spent on his responsibilities as Secretary of State for Defence in the last month. [169646]

The Secretary of State for Defence (Des Browne): I am always conscious of my responsibilities as Secretary of State for Defence and I am constantly ready to exercise them. It is not possible accurately to determine what proportion of my time is spent on defence issues or Scotland Office issues, however.

Mr. Robathan: I know that the Secretary of State is an extremely conscientious and thoroughly decent man, but last Wednesday he was answering questions from me and others on Scottish affairs, and back in the summer I recall an occasion when one of his deputies had to make a statement on defence because he was still up in Scotland. Does he understand why people on duty 24 hours a day in Afghanistan, facing the most difficult fighting since Korea, or those risking their lives in Iraq, question the commitment of this Government, and does he understand why they say that it is inappropriate and insulting that his job should be a part-time one?

Des Browne: I thank the hon. Gentleman for his generous remarks at the outset of his question. Factually, his account of events was, to a degree, inaccurate. There has been no occasion when I have not been able to answer a question or make a statement at the Dispatch Box while I have been both the Secretary of State for Defence and the Secretary of State for Scotland. He is thinking of something that happened about 18 months ago, when the Under-Secretary of State for Defence, my hon. Friend the Member for Halton (Derek Twigg), had to make a statement because I could not get back from my constituency. That was before I had both sets of responsibilities. What he said is accurate in fact, but not in time.

Mr. Robathan: You were in Scotland.

Des Browne: I note what the hon. Gentleman says from a sedentary position, but my constituency is in Scotland—I cannot help that. I cannot move it.

I simply do not accept that the morale of our deployed personnel is lowered by my working patterns. I say that advisedly because I regularly visit members of our armed forces deployed in Iraq and Afghanistan. They have many issues on their mind, which they are not shy about raising with me, ranging from issues involving their families, their colleagues and the task in hand to their equipment, but they have never, once, raised the issue that the hon. Gentleman asked about. I remind him that, the other day, thanks to the hon. Member for Hemel Hempstead (Mike Penning), I spent some considerable time with members of the 12 Mech Brigade who had returned from Afghanistan. I spoke to quite a number of them and not one of them raised that issue.

Mr. Chris Mullin (Sunderland, South) (Lab): Is my right hon. Friend aware that he need take no notice whatsoever of the pathetic jibes from the military wing of the Tory party? Talking of which, was he as surprised as I was at the antics of the former top brass from their comfortable billets in another place considering that only three days earlier, General Sir Richard Dannatt and Colonel Richard Westley came to the House and, in front of a briefing attended by some 50 Members of this House and the other place, acknowledged the significant new investment in equipment and facilities for our armed forces?

Des Browne: My position, which is supported by those who have seen the operational theatre, by those who are deployed there and by their equipment, is that our forces have never been better equipped. I accept that the challenge is now to maintain that level of equipment for our troops when we deploy them in the future. It is unfortunate, at best, that people constantly refer to our troops' not being properly equipped to do the job when that is not the case. It is also potentially dangerous because the enemy listens to every single thing that is said in this House or reported in our media. Our troops' force protection is, in my view, undermined by people who misdescribe the level of protection that they have.

Derek Conway (Old Bexley and Sidcup) (Con): Will the Secretary of State tell the House whether, while juggling the time between his responsibilities in Scotland and at the Ministry, he has found time to visit Headley Court to see the work that is being done there for wounded soldiers? Will he pay tribute to *The Sunday Times*'s fundraising campaign to make the facilities there more appropriate to recuperation and to the estimable Jeremy Clarkson, who is leading the campaign? Is it not rather sad that a charitable campaign is doing that rather than a grateful nation?

Des Browne: I have visited Headley Court. It is appropriate that such visits are done privately and not publicised. I have no intention in the future of publicising any such visits. I know that hon. Members from all parties visit our troops in hospital and in rehabilitation centres. They do so quietly; that is entirely appropriate, and I am pleased that they are prepared to do that. I have seen the miracle of rehabilitation—it is nothing short of that—that takes place at Headley Court. Some of the prosthetic limbs that I have seen people working on are miraculous. They are wonders of modern science, and give people a degree of freedom of movement that would have been unthinkable only a few years ago. I welcome the public support for Headley Court, but there is no lack of Government support for the facility and we only recently paid for a significant new annexe. The Government support Headley Court just as much as anyone else.

Tom Levitt (High Peak) (Lab): At a time when many Members have perfectly legitimate but very well-paid jobs outside the House and earn tens of thousands of pounds while presumably being part-time Members of the House, should we not be thanking the Secretary of State for doing two jobs for the price of one?

Des Browne: I welcome my hon. Friend's support. I will merely say what I have said every time that I have been questioned about the subject: if people have an issue of substance to raise about the way in which I carry out my job as Secretary of State for Defence, they ought to raise that issue rather than the issue of perceived principle, wrongly calling in aid support from troops on the front line. I do not believe that that support for the argument exists, and I have certainly seen no evidence of it. Although I accept what the hon. Member for Blaby (Mr. Robathan) said from a sedentary position earlier, I have no doubt that that sort of discontent might now be stamped out.

Angus Robertson (Moray) (SNP): The Secretary of State will have spent much time preparing for the imminent publication of the board of inquiry into the Nimrod tragedy in Afghanistan. Will he assure the House that all lessons learned from that board of inquiry will be implemented as a matter of priority across the ageing Nimrod fleet?

Des Browne: May I say to the hon. Gentleman that I intend to make a full statement to the House and he will have an opportunity then to ask me questions—in an informed way, I trust—about the recommendations? It would be inappropriate and disrespectful to the families for me to discuss anything that comes out of the board of inquiry before they have an opportunity to consider its report's findings.

Dr. Julian Lewis (New Forest, East) (Con): The Secretary of State evidently did not read the comments of five former chiefs of the defence staff if he genuinely thinks that it is not believed that his having two jobs sends out a terrible signal to members of the armed forces. He will recall that, earlier this month, I asked whether his ministerial salary was paid to him entirely for his duties as Secretary of State for Defence, and he failed to give me a direct reply. However, the Library has spoken to the Cabinet Office and a note to me states that a second official at the Cabinet Office informed the Library that

"following the recent cabinet reshuffle, the Ministry of Defence was instructed to pay Des Browne a ministerial salary and the Scotland Office was instructed not to."

There may not be enough money in the defence budget for helicopters, but there is enough for the Secretary of State for Scotland.

Mr. Speaker: Order. The question is about time spent.

Des Browne: I shall endeavour, Mr. Speaker, to answer in relation to the original question, which was about the time that I spend on my respective duties. I ask the hon. Gentleman, as I have asked all his colleagues, to judge me by my actions rather than the criticisms that he can manufacture. Our record in the Ministry in the past six months, when I have held both responsibilities, is, in my view, impressive. We have improved the operational welfare package, with council tax relief and free post; offered financial and practical support to assist inquests and improved compensation for those with multiple injuries; sustained outstanding operational medical capability; improved commitments and funding for accommodation, especially single-living accommodation; settled the comprehensive spending review, meaning an additional £7.7 billion for defence spending in the next three years, and—a matter that is close to the hon. Gentleman's heart— ordered two new aircraft carriers, which are the largest vessels ever to be commissioned for the Royal Navy.

Sustainable Procurement

3. **Mr. David Kidney** (Stafford) (Lab): What account his Department takes of the Government's code for sustainable procurement in contracting for procuring food and drink for the armed forces. [169647]

The Minister for the Armed Forces (Mr. Bob Ainsworth): The Ministry of Defence is committed to developing sustainable procurement for food and drink, and we are working with our contractors to identify opportunities. However, we need to ensure that value for money and transparency are maintained in our contracting.

Mr. Kidney: At a time when British livestock farmers are recovering from a foot and mouth disease outbreak, does my right hon. Friend agree that the Ministry buying British meat is not only sustainable but good sense? Will he refuse to listen to Ministry buyers who say that price is the obstacle? When the Ministry has worked with the Red Meat Industry Forum to change out-of-date specifications from the Ministry, everybody benefits—from the Ministry to the individual farmer who supplies.

Mr. Ainsworth: I am more than happy to listen to the points that my hon. Friend or the industry wish to make. Some progress has been made, but price is a barrier in some cases. More than half the beef that we procure is from British sources. That applies to all the pork and all the turkeys, but to only 13 per cent. of the lamb because there are problems with both the product that is provided and its price. If there are ways in which we can work around that, we will examine them and try to move in that direction.

John Smith (Vale of Glamorgan) (Lab): Given the sheer scale of the new project to build a military training academy in St. Athan in my constituency, will the code of the practice be part of the main-gate contract to be signed next year? Will sustainable procurement apply to food and drink at the new tri-service academy?

Mr. Ainsworth: We will try to implement the code in every aspect of our procurement policy, including applying it to the new facilities at St. Athan, as my hon. Friend requests.

Mr. Lindsay Hoyle (Chorley) (Lab): Is my right hon. Friend aware—I am sure that he is—that the NAAFI in Cyprus is now being operated by the French? The

first thing that they will do to try to make savings is stop British products being sold in the NAAFI shop. Does he agree that that is unacceptable for our troops?

Mr. Ainsworth: I am sorry to disappoint my hon. Friend, but I am not aware of that specific instance. I shall look into it afterwards and talk to him further.

Joint Pay Award Allowances

4. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent assessment he has made of the operation of the joint pay award allowances system; and if he will make a statement. [169648]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): The introduction of the joint personnel administration system has been a significant achievement. It is one of the most complex business change projects in the private or public sector ever introduced. There are no known systemic problems with JPA affecting the payment of allowances to armed forces personnel. Although errors have occurred, much has been achieved to ensure the quality of the service being provided to address problems, including additional training and guidance.

Mr. Swayne: My interest is in the register.

The Minister says that there are no systemic problems, but let me tell him of one. The system is not paying Army cadet force personnel or Territorial Army officers on the unposted list. I spoke to an officer a weekend ago who told me that he had arrears of £5,000. He was articulate and was able to persuade someone to pay him out of an imprest account, but there are hundreds of much less articulate personnel out there who are not being paid. Will the Minister do something about that?

Derek Twigg: The hon. Gentleman makes an important point. Of course errors have occurred and would occur in any payroll of that size and complexity, in terms of allowances and the number of people who have to be paid. I am aware that the issue that he has raised has been looked into and I understand that a solution has been found on which work is progressing.

Departmental Policy

5. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What steps his Department is taking to work with other Government Departments to ensure that the needs of armed forces personnel and their families are taken into account in the formation and implementation of policy; and if he will make a statement. [169649]

The Minister for the Armed Forces (Mr. Bob Ainsworth): The Government recently announced work to develop the first ever cross-Government strategy for supporting our armed forces personnel, their families and veterans. The Command Paper will outline future initiatives and report on those steps that have already been taken in areas such as medical care, welfare and accommodation.

Jim Sheridan: I thank my hon. Friend for that response. Does he agree that the best interests of members of our armed forces at every rank and their families would be served not by a trade union, but by an armed forces federation similar to those in other countries? That would be better than the current system of having to wait until the generals retire and find a safe place in the other place.

Mr. Ainsworth: I am not sure whether retired generals would be elected in such a federation. Establishing such a body would change the ethos of our armed forces, so we should not go in that direction without considerable thought. The issue of receiving complaints from our armed forces is very important, and my hon. Friend will be aware of our recent appointment of a service complaints commissioner, a post designed to improve exactly that area of work and ensure that all the complaints that our service personnel raise are dealt with appropriately and thoroughly.

Patrick Mercer (Newark) (Con): Can the Minister confirm that service wives and families will be talked to when the gap between operational tours is fixed? There is not enough time for men and women to return to their spouses, because there are not enough troops and because disastrous decisions have been made about recruiting and the disbandment of three battalions. Unless the Minister gets the issue right, force levels will drop even further and service families' morale will be further dented.

Mr. Ainsworth: I am talking to service families, as the hon. Gentleman does. I know that people are pushed. Their lives can be made difficult in those circumstances, but harmony guidelines are being adhered to in the majority of cases. The hon. Gentleman talks about the need for three further battalions, but he needs to talk not only to the Government, but to those on his own Front Bench, because I understand that although they support that proposal, they do so at no additional cost to the MOD, which would therefore result in cuts elsewhere. The Opposition cannot go on about the Navy, the Air Force and the Army without saying whether they would be prepared to spend additional money on defence. The silence from the Conservative Benches on that issue is deafening.

Mr. Eric Joyce (Falkirk) (Lab): Does my right hon. Friend agree that advice from the former chiefs of defence staff would be of greater value if it were not couched in personalised and politicised terms, as it was a week or two ago? Does he think that the recent efforts of General Guthrie, the new Tory party adviser, have helped or hindered the efforts of the current chiefs of staff?

Mr. Ainsworth: My hon. Friend makes a point. We welcome any contribution to the debate about the future funding and development of our armed forces. However, we would not want it to be couched in personal or political terms, because that would only detract from the weight of the points made.

Willie Rennie (Dunfermline and West Fife) (LD): I welcome the Minister's remarks about the cross-departmental strategy, as no matter where in the UK armed forces personnel and their families or veterans are based, it is vital to ensure that they receive the same quality of service. Will the Minister ensure that that quality of service is assured in Scotland and Wales as

well? When we took evidence from the Scottish Parliament last month on this very issue of health services, we were appalled by the quality of service provided in Scotland.

Mr. Ainsworth: During the process of drawing up the Command Paper, we need to consult veterans' organisations, family associations, local government and devolved Administrations as well as the whole of Government in order to get it right. My hon. Friend the Under-Secretary made a similar point last month in the Chamber and it applies equally to Scotland as to the rest of the United Kingdom.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the Minister realise that the most devout hope of the families of any serviceman on operations is that he or she should have the right equipment to undertake their jobs? Although much of the personal equipment is very good on operations, what steps are the Government and all their Departments taking to ensure that more helicopters are got to our forces on operations as soon as possible?

Mr. Ainsworth: I think the hon. Gentleman knows that we have six new Merlins coming into service and that the first will arrive in spring next year. We are also converting eight Chinooks. Together, those will considerably increase our helicopter capability. We have also done some modifications on Sea Kings to enable them to be capable in the Afghan theatre and they will provide us with greater flexibility. Yes, we understand the need for helicopter capability and we are taking steps to improve it.

Armed Forces

6. **Chris Bryant** (Rhondda) (Lab): How many members of the (a) Army, (b) Royal Navy and (c) Royal Air Force are Welsh. [169651]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): The Ministry of Defence records the number of UK nationals in the armed forces. Specifying national identity within the UK is not mandated, so it is not possible to provide accurate figures for the total number who are Welsh.

Chris Bryant: May I suggest that, notwithstanding the Ministry's not knowing the figures, we are pretty sure in Wales that we produce a higher proportion of members of the armed forces than any other of the constituent parts of the UK? Is it not clear that Wales has a strong and proud military tradition? If we are to continue it, do we not need to ensure that when Welsh regiments return from operations tours—as have members of the 1st and 2nd Battalion the Royal Welsh—a proper welcome is given to them in Wales? Should we not pay tribute to their work and, in this particular case, pay tribute to those who died in Iraq, including Private Craig Barber, Lance Corporal Ryan Francis and Corporal Paul Joszko?

Derek Twigg: Let me say to my hon. Friend that we are very proud of the work that the UK armed forces do and that the Welsh play a very important part in that. I pay tribute to their contribution to the armed forces and to their magnificent and outstanding achievements in Iraq and Afghanistan. My hon. Friend specifically mentioned the 1st and 2nd Battalion the Royal Welsh, and there are also the Welsh Guards, who returned from Bosnia. It is very important to recognise what our armed forces do throughout the UK and that they are given a proper welcome home. We have seen examples of that recently and I am delighted to support them.

Adam Price (Carmarthen, East and Dinefwr) (PC): I associate myself with the comments of the hon. Member for Rhondda (Chris Bryant). When my father served in the British Army, he often acted as an unofficial interpreter for those of his compatriots who did not have fluency in English. Given the number of Welsh speakers who join the armed forces every year, will the Minister consider allowing those who wish it the facility to receive at least some of their basic training through the medium of Welsh?

Derek Twigg: I have to say to the hon. Gentleman that that is not the way we do the training. Of course, I will look further into issues surrounding the Welsh language and decide whether there is anything more we can do to help.

Veterans' Badges

7. **Mr. David Crausby** (Bolton, North-East) (Lab): How many veterans' badges have been issued in the last 12 months. [169652]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): Between 1 November 2006 and 31 October 2007, 196,197 veterans' badges have been issued.

Mr. Crausby: I am sure my hon. Friend will agree that veterans' badges have been a tremendous success, but they are only one part of the covenant that exists between the Government, the British people and members of the armed forces. What further action does he intend to take in recognising the unique nature of military service?

Derek Twigg: My hon. Friend makes an important point about the recognition of veterans. More than half a million veterans' badges have now been presented, but the awarding of badges is just one of a number of things that we are doing to support veterans. Veterans day itself is an important aspect of what we are doing, and I am sure that next year even more Members will support it than did so this year. We now have a Service Personnel and Veterans Agency, and the Government have appointed a veterans Minister.

Recently, my right hon. Friend the Secretary of State for Health made an announcement about priority treatment and I announced new mental health pilots for veterans. The Ministry of Defence will work with the national health service to provide even better support for veterans' mental health.

Mr. Mark Harper (Forest of Dean) (Con): The Minister has sensibly led me to my question. Veterans who receive their badges will be interested by Ministers' announcement of the expansion of NHS priority treatment to all veterans whose injuries or ill health are suspected of being due to service. A veteran hearing that

announcement could have been forgiven for thinking that it represented a policy change, but, as the Minister knows, he said exactly the same in a letter to me earlier this year.

Mr. Speaker: Order. The hon. Gentleman should simply ask the Minister whether it represents a policy change.

Derek Twigg: In his statement, my right hon. Friend the Secretary of State for Health made it clear that he was reiterating the policy on veterans and the priority given to their health. Hull primary care trust has also made veterans' treatment a priority when their GPs consider that they may have a condition resulting from their service. I am pleased that the hon. Gentleman has raised the issue, because it is important for us to convey the message about veterans' priority treatment, and I am pleased that my right hon. Friend was able to make that announcement.

Army Recruitment

8. **Mr. Gordon Prentice** (Pendle) (Lab): What steps he is taking to increase recruitment into the Army. [169653]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): The Army as a whole uses a range of methods to attract individuals to a career in the Army. They include the use of targeted advertising campaigns, the latest of which is aimed at potential infantry soldiers among others. A further education bursary scheme is being piloted in recognition of the fact that more youngsters are staying in further education. A dedicated careers website was relaunched earlier this year featuring an online recruiting office where individuals can chat to a recruiter. There are also 39 armed forces careers offices and 84 army careers information offices in towns and cities across the United Kingdom.

Mr. Prentice: I thank my friend for all that information, but am I right in thinking that 7.5 per cent. of the British Army is drawn from Commonwealth countries? Is that number too high, and should a cap be placed on it to reduce our dependence on our friends in the Commonwealth?

Derek Twigg: We have always recruited from Commonwealth countries, and we think that the balance is about right. It is important that we continue to recruit from the Commonwealth, and we welcome and value the contribution of our armed forces personnel from those countries.

Dr. Andrew Murrison (Westbury) (Con): Although he did not mention them, I am sure the Minister will agree that student presentation teams do a very good job in boosting recruitment. Indeed, on 7 February he said:

"These presentations are extremely well received",

adding that they offered

"significant benefits for future recruiting."—[*Official Report*, 7 February 2007; Vol. 456, c. 922W.]

Why, then, at a time when our armed forces are so grossly under-recruited, is the Minister scrapping those formidable recruiting sergeants? Is it to save the blushes of the Secretary of State for Defence in his other part-time job, given left-wing opposition to the teams' entering Scottish and Welsh schools?

Derek Twigg: I think that the hon. Gentleman is slightly confused. As his hon. Friend the Member for Forest of Dean (Mr. Harper) will know, the purpose of the presentation teams was not to recruit but to get the defence message across in schools. However, he is right in saying that they did a very good and important job.

We wanted to discover how we could deal with communications better with the resources that we had. That is why we introduced Defence Dynamics, a web-based system. The hon. Gentleman may wish to have a look at it. Only a week ago I visited a school where it has been launched, and found that it was very popular and being used to good effect in lessons. It plays an important role in conveying defence issues to young people in the classroom.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend will know that the Army is putting together a people programme, which will look at the facilities offered to our service personnel when they are not on operations. He knows that peer-group pressure is one method we can use—when people return home, they can explain to their friends what a great life it is being in the forces. Will he, however, look into our traditional recruiting areas and whether they were damaged by the mergers of the battalions and regiments, and will he present a review of that to the House?

Derek Twigg: My hon. Friend will see that recruitment to the Army has increased: there was a 25 per cent. rise in the last financial year, and we continue to work hard to ensure that that is the case. He is right in one respect, however: the best ambassadors are our armed forces personnel themselves when they go back to their communities; another is people seeing the outstanding job being doing in Iraq and Afghanistan, and the important role the forces continue to play elsewhere in the world and in the UK. It is also important that we link in our veterans, as they are great ambassadors for the armed forces, too. I believe that we continue to do well in terms of recruitment in what is currently a very buoyant economy where there are many different opportunities for young people.

Topical Questions

T1. [169635] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Des Browne): As Secretary of State for Defence, my departmental responsibilities are to make and execute defence policy, to provide the armed forces with the capabilities they need to achieve success in the military tasks in which they are engaged at home and abroad, and to ensure that they are ready to respond to the tasks that might arise in the future. I have today made written ministerial statements on the signing of a contract for the purchase

of a sixth C-17 Globemaster aircraft to be delivered in 2008, and on the letting of a contract for the future provision of marine services to the Royal Navy.

Ms Clark: My right hon. Friend will be aware of the representations that have been made in relation to MOD Beith in my constituency and the continuation of an apprenticeship scheme there. Will he hear further representations on the business case for such an apprenticeship scheme, and will he meet the relevant trade unions?

Des Browne: I commend my hon. Friend for her support for the Defence Storage and Distribution Agency in Beith. I have a personal interest in this matter as my older brother served his apprenticeship there many years ago when it was another institution. I recently wrote to my hon. Friend about the decision taken in 2004 to close the apprenticeship training scheme at Beith. I know that that disappointed her, but the decision was based on the analysis of the business requirement over the next 10 years. There is a declining market for the complex weapons that are processed at Beith, and there was not a sustainable opportunity for apprenticeships in the context of such a business case. However, my hon. Friend is, of course, entitled to make representations on behalf of her constituents and businesses in her constituency, including this one, and I will be happy to meet her at an early opportunity, when we can also discuss whether I need to meet others who wish to make representations.

T2. [169636] **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): Given that our former Prime Minister, Tony Blair, made an immense effort to build relations between the UK and India, what is the Ministry of Defence doing to strengthen relations between ourselves and India on defence issues?

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): We see India as an increasingly important strategic partner across a wide range of issues. India is increasingly engaged globally, including as a supplier of troops to the United Nations. We expect the current high level of defence engagement to continue. We see India as an important strategic partner and we continue to engage with it very strongly on defence.

Dr. Liam Fox (Woodspring) (Con): The Chief of the General Staff says that the Army has

"almost no capability to react to the unexpected",

and the Assistant Chief of the Naval Staff says that

"the current material state of the fleet is not good; the Royal Navy would be challenged to mount a medium-scale operation in accordance with current policy against a technologically capable adversary".

Which of those statements should the country be more worried about?

The Secretary of State for Defence (Des Browne): The Army is stretched—I have accepted that. I have been saying for some time that if we continue to ask it to operate at this tempo in the long term, that will be unsustainable. Over that period, we have been reducing the pressure on the Army. It is recognised that with the conclusion of Operation Banner in Northern Ireland and of the operation in Bosnia, and the planned reduction in the number of troops in Iraq, a significant amount of that pressure will be reduced.

The hon. Gentleman's speech to the Conservative party conference suggested that the Army needed three further battalions. I do not believe that the Army needs that or that it thinks that it needs that. I accept that we need a balanced force structure in the Army, but that debate will not be helped by people seeking soundbites, particularly the sort that do not bring with them the commitment to invest the £700 million that would be necessary to make them reality.

On the Navy, the process of reducing the fleet was started by the Government whom the hon. Gentleman supported at the end of the cold war, and has continued in line with the White Paper of 2004 in respect of numbers. The most important thing about our Navy is that with fewer ships it can deliver precisely the same tactical effect as before. I recognise that that does not mean that it can deliver the same strategic effect—that is a function of numbers rather than one of capability—but the ships that the Navy has have significantly greater capability.

Dr. Fox: But it is not just about manning where there is a gap. There are real gaps at the moment—we have a real shortage of battlefield helicopters, as I saw in Afghanistan a couple of weeks ago. That came as a direct result of this Government's decision to cut the helicopter budget by £1.4 billion in 2004. We may be getting more helicopters now, but people in the field are asking what sort of idiots cut the helicopter budget in the middle of two wars. We have ended up with not enough helicopters, soldiers or ships, we are not even paying all our troops and the Prime Minister gives us a part-time Defence Secretary to boot. Do Ministers understand that it is not only former defence chiefs who are angry about this, but increasing numbers inside and outside the armed forces?

Des Browne: The hon. Gentleman knows two things about helicopters from his trip to Afghanistan. The first is that operational helicopter hours in Afghanistan have increased significantly over the past months and that there are plans to increase the number of helicopters quite significantly. He also knows that that investment has been made and that one cannot just buy helicopters off the shelf—one must get them from the production line and make them deployable, and that takes some time.

T4. [169638] **Mr. Quentin Davies** (Grantham and Stamford) (Lab): Has my right hon. Friend seen the opinion poll conducted in Afghanistan, commissioned by the BBC and published today, which shows massive public support for the NATO military presence in Afghanistan and only 4 per cent. of respondents supporting the Taliban? Is that not an encouraging vindication of the great efforts and sacrifice of our troops on the ground, whose courage and professionalism we all so much admire in this House?

The Secretary of State for Defence (Des Browne): My hon. Friend is right about what we have achieved in Afghanistan. Those who had the pleasure of speaking to the representatives of 12 Mech Brigade when they were in this House last Thursday would know why. Those troops and others who have been on the ground

in Afghanistan know fine well what they have been achieving over the past six months, building on the work of the taskforce that was there before them. Those who say that we face strategic defeat in Afghanistan do not understand what our troops have achieved there. Every time we have faced the Taliban, we have defeated them. That is why 60 to 70 per cent. of the people of Afghanistan support the presence of the international security assistance force troops.

T3. [169637] **Mr. Desmond Swayne** (New Forest, West) (Con): On 19 November, the Secretary of State skilfully avoided the question of whether Lord Drayson "approved in advance" the closure of the Defence Export Services Organisation. The reply given was:

"The decision...was taken by the Prime Minister. The Defence Secretary was consulted."—[*Official Report*, 19 November 2007; Vol. 467, c. 475W.]

Will the Secretary of State give a one-word answer to the question whether Lord Drayson knew?

The Secretary of State for Defence (Des Browne): The hon. Gentleman knows fine well that the structure of Government is a matter for the Prime Minister. It has been so for every Government who have ever governed this country, and it will continue to be so.

T5. [169639] **Andrew Selous** (South-West Bedfordshire) (Con): A written answer earlier this year showed that the Government have spent more than £2.3 billion on external consultants. Does the Secretary of State think that that was good value for money and could it not have been better spent on, for example, our ageing helicopter fleet?

The Secretary of State for Defence (Des Browne): Significant money has been spent on our helicopter fleet, as we have already discussed. The value of consultants is in whether they genuinely add value to a process and bring skills into government that government does not have. One cannot answer that question in the general sense without examining every contract involved. I am certain that every contract was let on the basis that the consultants coming in would add value.

Andrew Miller (Ellesmere Port and Neston) (Lab): Last Thursday and Friday, the hon. Member for New Forest, East (Dr. Lewis) and I had the privilege of attending the defence ethics seminar at Shrivenham. Will my right hon. Friend ensure that that seminar is given the support it needs to continue in the future? It is a valuable asset for our services. In addition, will he ensure that other Members of Parliament also enjoy the privilege of attending?

Des Browne: Yes.

T6. [169640] **Mr. Richard Benyon** (Newbury) (Con): There is real concern among some troops training to go on operations that they do not have access to some of the equipment that they will use on those operations. Will the Secretary of State assure members of 16 Air Assault Brigade, for example, that they will have full access to some of the excellent equipment that is being made available, especially night-vision goggles for drivers, which is of great concern to all ranks?

The Secretary of State for Defence (Des Browne): So far as it is possible to do so, yes. The hon. Gentleman puts his finger on an issue that is raised tangentially, if not directly, in the Select Committee report that was published this morning. The success of urgent operational requirements—UORs—has generated another challenge. Our ability to get good equipment into theatre generates another challenge of providing enough of it to enable people to train with it in anticipation of deployment. We are doing everything that we can to ensure that we meet that demand.

T7. [169641] **Andrew Rosindell** (Romford) (Con): The Minister will be aware of errors that have occurred in the salaries of members of the armed forces. Will he undertake to review the joint personnel administration system, and perhaps to introduce a 24-hour hotline for members of armed forces to query such errors?

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): This is one of the biggest systems ever introduced, as I said earlier. If we consider where we were last year, with the problems that we had with the RAF, compared with where we are today, following the introduction of the system to the Army, we can see that we have taken a tremendous step forward. Improving the training, guidance and instructions has been an important aspect of improving the overall efficiency of the system. We are always seeking to improve access for service personnel who have queries about their pay and allowances, including those on operations, and we continue to make improvements.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): In my constituency, which is the home of the Royal Navy, we greatly welcomed the announcement of the order for two new aircraft carriers. Can my hon. Friend give me any indication of the progress of the joint venture that will help to deliver them?

The Minister for the Armed Forces (Mr. Bob Ainsworth): Progress on the joint venture is going well and there is no truth in any of the stories in the press about problems in that regard. The two aircraft carriers will be welcomed by my hon. Friend's constituents, as they will be by the Royal Navy and the nation as a whole.

T8. [169643] **Paul Rowen** (Rochdale) (LD): Has the Secretary of State had any discussions with his NATO counterparts about additional combat troops for Afghanistan if, as seems likely, Canada pulls its troops out next year?

The Secretary of State for Defence (Des Browne): The answer is yes, I have such conversations regularly. I do not accept that it is likely that Canada will pull its troops out. It is of course for the Canadian Government and Parliament to make a decision, but by no stretch of the imagination is the situation as pessimistic as the hon. Gentleman suggests.

T9. [169644] **Mr. Adam Holloway** (Gravesham) (Con): Why does the Secretary of State think Lord Guthrie described the Government's attitude to the armed forces as "mystifying"?

The Secretary of State for Defence (Des Browne): I am happy to speak for myself, but I am not content to stand at the Dispatch Box and speak for Lord Guthrie. Just as I ask people to judge me by my actions, so people should perhaps judge Lord Guthrie by his actions and then they can come to their own conclusions about why he did what he did.

Mr. Kevan Jones (North Durham) (Lab): Does my right hon. Friend agree with the comments of Field Marshal Lord Inge who in a debate in the other place on 22 November cautioned the people who were arguing for the immediate need to resuscitate the three battalions? Is not the onus on individuals who argue for the three battalions, including the right hon. Member for Witney (Mr. Cameron), to say where they will find the money to pay for them?

Des Browne: I welcome debate about our armed forces—about their size, their deployment and our support for them. However, I am mystified about the three battalions, which appear to have support from Conservative Front-Bench Members. They will cost £700 million if they are added to the Army, yet Tory Front Benchers want to be able to tell the country that they do not intend to spend any additional money on the armed forces. That does not make sense to me, but perhaps they will explain it to the country at some stage.

Robert Key (Salisbury) (Con): I thank Defence Ministers for working with their colleagues at the Ministry of Justice to provide more financial resources for Her Majesty's coroner for Wiltshire, which has been of great comfort to the bereaved. What progress is the Secretary of State making with the Scottish Executive on a seamless approach to the problem of the repatriation of the bodies of those who have fallen? What progress can we expect to see in the near future?

Des Browne: I thank the hon. Gentleman for his recognition of what has been achieved between our Department and, principally, the Ministry of Justice in challenging and difficult circumstances. I take this opportunity to acknowledge the support and co-operation we have all received from all coroners, whether in Wiltshire, Oxford or elsewhere in the country, in dealing with those issues. There is a challenge for the Scottish jurisdiction, because it does not enjoy the power to hold inquiries into deaths that take place abroad. Discussions have been ongoing for some time and they will continue. There is willingness on the part of Scottish Ministers to try to resolve the issue, against the challenges it might generate for their jurisdiction more broadly, which I understand. There is willingness to resolve the issue, but it should not be resolved to the detriment of the families, so we have to be careful how we do it.

Points of Order

3.32 pm

Helen Jones (Warrington, North) (Lab): On a point of order, Mr. Speaker. On 7 June, I raised in the House concerns about the conduct of the chief executive of Warrington borough council. An e-mail from the council has been disclosed to me making it clear that officers considered an action against me for defamation following those remarks. It was accompanied by a letter from the borough solicitor reserving the right to take legal action in the future. As the guardian of the privileges of the House, what advice can you offer anyone in local government who seeks to challenge those privileges? As the contemplation of legal action appears to arise from a question I put to the Leader of the House, can you confirm that remarks made in the House are privileged and that no legal action can be founded on them?

Mr. Speaker: As a Member of Parliament in my own right, it is usually the case—at least it is in Glasgow—that I take advice from local government officers. I do not give them advice; it is the other way around. I can confirm to the hon. Lady that words spoken in the House are protected by parliamentary privilege; outside the House the same protection does not apply.

Mr. Roger Gale (North Thanet) (Con): On a point of order, Mr. Speaker. Have you yet received a request from the Prime Minister for permission to come to the House to make a statement to clarify his on-the-record assertion that the Leader of the House of Commons first knew about illegal donations to the Labour party on—

Mr. Speaker: Order. I call Dr. Blackman-Woods.

Mr. Gale: Shall I take that as a no?

Mr. Speaker: The hon. Gentleman can draw no conclusions whatsoever.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): On a point of order, Mr. Speaker. Can you advise me on the convention of the House that Members should at least inform the local MP if they seek to raise an issue concerning that MP's constituency? All Members—none more so than myself—want to ensure that matters relating to the Durham Green development in my constituency are properly investigated. Had the hon. Member for Eastleigh (Chris Huhne) informed me of his intentions, I could have told him that it was a Liberal Democrat council that gave planning permission and that the lifting of article 14s in the region was the subject of a campaign organised by *The Journal*, and backed by the chamber of commerce and all political parties in the region, to support job growth in the area.

Mr. Speaker: It looks as though the hon. Lady can handle the affairs of her constituency very well, and I will not be drawn into that matter either.

Andrew Rosindell (Romford) (Con): On a point of order, Mr. Speaker. I tabled a closed question under Defence questions, and I would like your advice about the transfer of questions from one Department to another. The relevant question was to do with defence, but for some reason it was passed to the Secretary of State for Business, Enterprise and Regulatory Reform. Can Departments pass questions to each other in order to invalidate or ignore them, and how can such loss of a question be compensated for?

Mr. Speaker: I do not always know the reasoning behind the decisions, but Departments and Ministers can move questions from one Department to another. It has happened to us all as Back Benchers and we have to live with it.

Mr. Gerald Howarth (Aldershot) (Con): Further to that point of order, Mr. Speaker. There is a serious issue at stake. The Defence Export Services Organisation was charged with responsibility for facilitating defence exports from the United Kingdom. If we cannot question Ministers in the Ministry of Defence about the issue, the defence industry of the United Kingdom should be told that that is not on. This is a serious matter for the UK defence industry.

Mr. Speaker: I am not going to allow a debate on the issue to be opened up. The hon. Gentleman has been in the House for a considerable time and knows that this has happened to every Back Bencher, including me when I was Back Bencher. That does not mean that a future question cannot be posed to any Department. If you go into the Table Office, you can submit whatever questions you wish, to whichever Department.

Orders of the Day

Child Maintenance and Other Payments Bill

[Relevant documents: The letter from the Chairman of the Joint Committee on Human Rights to the Secretary of State for Work and Pensions dated 12th July and the Secretary of State's letter of reply dated 10th August.]

As amended in the Public Bill Committee, considered.

New Clause 2

REGISTERED MAINTENANCE AGREEMENTS: SCOTLAND

'(1) In section 4(10) of the Child Support Act 1991 (c. 48) (exclusion of application for maintenance calculation), after paragraph (aa) insert—

"(ab) a maintenance agreement—

(i) made on or after the date prescribed for the purposes of paragraph (a); and

(ii) registered for execution in the Books of Council and Session or the sheriff court books,

is in force in respect of them, but has been so for less than the period of one year beginning with the date on which it was made; or".

(2) In section 7(10) of that Act (exclusion of application by child in Scotland for maintenance calculation), at the end of paragraph (b) insert "; or

(c) a maintenance agreement—

(i) made on or after the date prescribed for the purposes of paragraph (a); and

(ii) registered for execution in the Books of Council and Session or the sheriff court books,

is in force in respect of them, but has been so for less than the period of one year beginning with the date on which it was made."

(3) In section 9(3) of that Act (agreements about maintenance), after "4(10)(a)" insert "and (ab)".'.—*[Mr. Plaskitt.]*

Brought up, and read the First time.

3.37 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: New clause 5—*Responsibilities of non-resident parent*—

'In section 1 of the Child Support Act 1991 (c. 48) (the duty to maintain), for subsection (2) substitute—

"(2) For the purposes of this Act, a non-resident parent shall be taken to have met his responsibility to maintain any qualifying child of his—

(a) by paying a calculation in accordance with the provisions of this Act; or

(b) by making payments in accordance with an order set out in subsection (2A) in the circumstances set out in subsection (2B).

(2A) The order referred to in subsection (2)(b) shall be an order ("the Order") for periodical payments to the child made under section 23(1)(d) of the Matrimonial Causes Act 1973 (c. 18) or paragraph 1(2)(a) or (b) of Schedule 1 of the Children Act 1989 (c. 41).

(2B) The circumstances referred to in paragraph 2(b) are—

(a) that simultaneously with the Order the court makes an order under—

(i) section 23(1)(a),(b),(c), or section 24 of the Matrimonial Causes Act 1973, or

(ii) paragraph 1(2)(c),(d) or (e) of Schedule 1 of the Children Act 1989 (lump sum payments or transfer of property orders etc); or

(b) the order is a variation of an order originally made when one or more such orders were made.

(2C) Where the court makes an order of the type listed at subsection (2A) and the conditions of subsection (2B) are met, any calculation under this Act shall be discharged and, during the currency of the Order, the Secretary of State shall not exercise his powers to make a calculation under section 4 of this Act."'.

Amendment No. 1, in clause 15, page 7, line 26, at end add—

'(2) In section 4 of the Child Support Act 1991 (child support maintenance) for subsection (10) substitute—

"In the event that the parent with care and the non-resident parent have entered into a binding Minute of Agreement and—

(a) each party has received independent legal advice prior to signing the said Minute of Agreement;

(b) the agreement contains within it provisions for the maintenance of any children whether by regular payments, transfers of capital or a combination of the two;

(c) there is provision to reconsider any regular payments in the event of a material change of circumstances; and

(d) there is provision within the agreement for enforcement in the event that either party fails to adhere to the provisions of the agreement,

no application may be made to the commission with respect to a qualifying child or qualifying children specified in the agreement."'.

Amendment No. 13, in page 7, line 26, at end add—

'(2) In section 4 of the Child Support Act 1991 (child support maintenance), for subsection (10) substitute—

"No application may be made at any time under this section with respect to a qualifying child or any qualifying children if there is in force a maintenance order in respect of that child or those children and the person who is, at that time, the non-resident parent."'.

Government amendment No. 5

Mr. Plaskitt: I wish to discuss these amendments and new clauses in two groups. I shall begin with new clause 2 and Government amendment No. 5, as I believe that setting out their purpose will shed light on why we are unable to accept the proposal by the hon. Member for Angus (Mr. Weir).

New clause 2 clarifies how the provisions of sections 4(10) and 7(10) of the Child Support Act 1991 work in relation to registered minutes of agreement made on or after 3 March 2003. It gives registered minutes of agreement for periodical child maintenance the same status as court orders for the purposes of those sections. It ensures that those registered agreements, like court orders, have a 12-month period to bed in and work before any application may be made to the statutory scheme.

For all practical purposes, that is what sections 4(10) and 7(10) of the 1991 Act currently provide. However, their interpretation in relation to registered minutes of agreement relies on the decision of a child support commissioner, which may be challenged and overturned by a higher court. If that happened, it would mean that making and registering a minute of agreement would not prevent either party from immediately applying to the commission for maintenance calculation.

The Government believe that registered minutes of agreement, like court orders made on or after 3 March 2003, should be allowed a settling period of 12 months in which to bed in and work. However, if it becomes clear that, for whatever reason, those agreements are not working, parents should have access to the statutory maintenance scheme to put things right. New clause 2 clarifies the position in primary legislation and puts the matter beyond doubt.

In short, we believe that it is right to make it clear that for the purposes of sections 4 and 7 of the 1991 Act, registered minutes of agreement have the same status and effect as court orders and are subject to the same treatment. In order for that to happen as soon as possible, Government amendment No. 5 will commence new clause 2 on the day after the Act is passed.

Mr. Mike Weir (Angus) (SNP): Surely the proposal does not change the position that minutes of agreement are guaranteed for only one year. After that, either party may apply to the commission, irrespective of the provisions in a minute of agreement, for enforcement in the same way as a court action. If that happens, we are back to square one, with an application to the commission, rather than immediate enforcement.

Mr. Plaskitt: These measures give the agreements the same status as court orders. They do not address the more substantive issue of the 12-month rule that the hon. Gentleman wants to debate. We will come to that.

I turn to amendments Nos. 1 and 13 and new clause 5, which would all, by differing means, prevent parents who had entered into certain minutes of agreement or court orders from ever making an application to the commission for a maintenance calculation. Under the measures, parents who decided not to use the statutory service initially for their maintenance arrangements would be locked into registered minutes of agreement or court orders for ever.

The Government recognise the value of minutes of agreement and court orders, which have a positive role to play in giving parents an opportunity to agree maintenance arrangements that suit their particular circumstances and providing for regular ongoing payments of maintenance to children. However, we feel that they should be given a 12-month period in which to bed in and work, with either parent having the opportunity to come to the commission after that time if they do not work.

Of course, if both parties agree that the arrangements are not working and on how they need to be changed, the parties will have the option of returning to the court for a variation. However, those provisos will not apply in most cases.

Mr. Weir: The 12-month rule is still the problem, however. The Minister is saying that if, after 12 months and one day, one party decided to go to the commission, they could do so, irrespective of whether there had been any change in circumstances from 12 months and one day prior to that. The whole concept of minutes of agreement lasting more than 12 months is undermined, because neither party has a guarantee that the other party will not unilaterally take the matter to the commission.

Mr. Plaskitt: We think that the right has to be in place, because if the terms of the agreement arrived at in court are not working, there needs to be a means—

Mr. Weir: It does not matter.

Mr. Plaskitt: It does, because the arrangements will break down in some circumstances. If things break down, we would all agree that there needs to be a way of overcoming that breakdown, because that is in the interests of children. As I said, if both parties agree that the arrangements are not working, and on how that should be resolved, they can go back to the court to seek a variation. However, what would happen if the breakdown between the two was irreconcilable? We cannot leave children in a situation in which there is no flow of maintenance. There needs to be a way of one of the parents—generally the parent with care—to seek a means of securing maintenance. That will be achieved by allowing them access to the commission.

Mr. Weir: I still do not follow what the Minister is saying. When I said, "It does not matter," I was making the point that both parents do not have to agree that things have broken down. One parent could decide unilaterally that they no longer like the terms of the agreement, whether or not those terms had been adhered to fully, and then go to the commission. The other parent would have no option. In such circumstances, no one will enter into minutes of agreement lasting more than a year because they could be overturned by the other party in a year and one day. It would not matter whether the terms of the agreement had been fully adhered to, the agreement was working or the payments were being made, or whether there had been capital payments, because a parent could still go to the commission.

Mr. Plaskitt: I do not agree that there is a disincentive. Some 20,000 such orders or minutes of agreement are made every year, and there is no indication that the existence of the provision in any way undermines them. They remain a choice; if parents want, they can exercise that choice, and they can settle their separation and child support issues by those means. The vast majority do not opt for that process, but go through the Child Support Agency or reach a voluntary agreement. For those who do take the order route, there has to be a way of resolving things if the agreement breaks down.

3.45 pm

Paul Rowen (Rochdale) (LD): Does the Minister not accept that Sir David Henshaw argued against the 12-month rule in his review of the system? He said:

"The ability to move between systems after a year can in itself create instability and reduce the incentive to make an initial agreement."

Those are his words, on page 27 of his review.

Mr. Plaskitt: I know that they are Sir David's words, and as he would expect, we debated that recommendation thoroughly and considered it carefully, but in light of all the evidence that we looked at, we did not agree with his recommendation.

John Penrose (Weston-super-Mare) (Con) *rose*—

Mr. Plaskitt: I will give way on that point once more, and then I want to make some progress.

John Penrose: I thank the Minister for giving way. Does he agree that it is possible that a court can be more thorough in its initial investigation, particularly of the financial circumstances surrounding the break-up of a relationship? As a result, the court order—a minute of agreement in Scotland—that is created may result in a fairer and better division of assets, or provision of maintenance. Providing whoever feels hard done by with the opportunity to undo that arrangement may result in a less just conclusion.

Mr. Plaskitt: The order may be more thorough, and that is why some parents who separate choose to go down that route. They may feel that the court order is more relevant to their circumstances than any of the other means. However, I do not accept that the existence of the other means undermines court orders or minutes of agreement. So far, we cannot see any evidence that they have that effect. I should like now to make a little more progress; there will be an opportunity to come back to those issues in respect of the other amendments in the group.

The amendments proposed by Opposition Members would prevent choice; they would remove the bedding-in period and could leave parents irrevocably locked into arrangements that may no longer work further down the line or meet the needs of the children concerned. Minutes of agreement and court orders have their proper place in the provision of child maintenance, but there needs to be a safety net for when those arrangements go wrong. Children must not be left for considerable periods with no maintenance or inadequate arrangements, and parents should not be tied to agreements that no longer work for them or, more importantly, their children.

By encouraging agreements between parents that lead to effective and sustainable maintenance arrangements, we hope that parents will not need to turn to the Child Maintenance and Enforcement Commission for a calculation under the statutory scheme. We do not wish to overturn any effective or agreed maintenance arrangements, whatever form they take. Repealing section 6 of the Child Support Act 1991 will mean that only when one or both parents make an application to the commission can written maintenance agreements, including minutes of agreement and consent orders, be overturned. Working agreements will continue for as long as both parents want them to.

The 12-month rule is intended to encourage settlements that contain fair levels of child maintenance, calculated broadly along the lines of the statutory scheme, so that we can ensure that children have regular, ongoing maintenance payments. The rule achieves that, because that is what lawyers invariably advise. As I said earlier, it also enables parents to apply to the statutory service if the arrangements fail. Those principles would not be served by the amendments. If parents are happy with their arrangements, we want those arrangements to continue, but we do not think it right that a specific group of parents should be excluded from the opportunity to use the statutory service if that is what they feel is right for them and their children, so I urge hon. Members not to press their amendments.

Andrew Selous (South-West Bedfordshire) (Con): This group of new clauses and amendments brings us back to an issue on which we spent a considerable time in Committee. The Minister may remember that every single member of the three Opposition parties present asked him to go away and look at this issue. He made a commitment to do so, for which we are grateful.

The Minister has spoken a great deal about choice and its denial, but there is another way of looking at the issue. Many Conservative Members are saying that in some circumstances, albeit for a minority of separating parents, a family court judge should be trusted to put in place an agreement that will last, reflecting the individual circumstances of that family. Only about 4 per cent. of separating families receive those court orders, although they account for 9 per cent. of families to whom maintenance is paid. We accept that it is a minority who are affected, but I hope that the Government take seriously the position of minorities. Those families have the right to fair treatment, and we contend that many more families would avail themselves of the greater flexibilities offered by the courts if any agreement they entered into lasted more than 12 months.

Families should not be discouraged from going to court by virtue of the fact that a rigid, inflexible formula can be summarily imposed after 12 months, thus ripping up any agreement entered into voluntarily by both parties in good faith. In particular, fewer family homes are likely to be made over to parents with care if the 12-month rule and the rules reflecting capital transfers continue under the Bill, even though that might be the one wish above all others that a mother has for her children if her marriage breaks down or her relationship with the father of her children comes to an end. No judge would leave a parent with care with only a capital sum—the family home—and no other income. New clause 5 states that there must be ongoing maintenance payments to the parent with care in addition to any capital transfer that has been made.

Under the Bill, it makes no sense for a non-resident parent to transfer the family home to the mother of his children or vice versa in a minority of cases, even though that might be the one thing that the mother wants above all else from the settlement. The Minister talked about not restricting choice, but he must realise that by maintaining the same position, he is restricting it. No divorce lawyer in their right mind would advise a non-resident parent to transfer the family home to a parent with care, because they would be acting in the certain knowledge that any agreement about maintenance accompanying that capital transfer could be ripped up at a later date. We contend that the Minister is restricting choice.

Mr. Weir: Is not the position worse than that, because the Minister could be standing in the way of people coming to an agreement on the transfer of capital assets? He could be forcing them into a situation where they fight about that, so we are not looking merely at the question of revenue payments in respect of children.

Andrew Selous: I agree. The hon. Gentleman is right, and I pay tribute to him for the tenacity with which he has pursued the issue. Perhaps his was a bit of a lone voice in earlier years, but he certainly received widespread

support in Committee when he raised such issues. It is a sadness for me that the Government position does not appear to have changed.

One parent or both can apply to the court to have laid aside any court order with which they are unhappy. We know, as the hon. Member for Rochdale (Paul Rowen) said, that Sir David Henshaw, who can claim to be the architect of the Bill, thought that the continuation of the 12-month rule and the rules on capital transfers should not be part of the new system.

It is significant that the Minister managed to unite every Opposition member of the Committee against him. I serve notice on him that at an appropriate point I shall press new clause 5 to the vote. It applies only to England and Wales. I do not know whether the hon. Member for Angus (Mr. Weir) will seek to press his amendment No. 1 to a Division. No doubt he, like me, is awaiting the Minister's response.

Paul Rowen: As the hon. Member for South-West Bedfordshire (Andrew Selous) said, the clause was discussed at length in Committee. The hon. Member for Angus (Mr. Weir) has tabled a new amendment that addresses the serious concerns that were raised about the 12-month rule, but allows some reconsideration within the scope of the minutes of agreement. I ask the Minister to examine amendment No. 1 carefully. It allows the minute to be amended if circumstances change. I find it strange that the Bill tries to get parents at the beginning of a divorce, once a separation has taken place, to enter into a voluntary agreement. It would be better if such an agreement were given force by being recognised by the court.

John Penrose: Does the hon. Gentleman accept that contrary to the Government's stated objective of trying to reduce the number of parents who refer their case to the commission in future, the clause is likely to have the effect of increasing the number coming to the commission because they may well go to a court first, and then have to start all over again with the commission after a year and a day? It will have the reverse effect from the Government's stated ambition.

Paul Rowen: I agree entirely with the hon. Gentleman. We want to reduce the number of cases that go to the Child Maintenance and Enforcement Commission. We already know from the Child Support Agency that it is not working. Having listened to the Minister in Committee, I assumed that by providing advice and support to both parents at the beginning of a separation, it would be possible to reach an agreement that would stick. We have yet to hear how much the Government will commit to making sure that that support and advice are available.

However, at the end of 12 months, no matter what process they have gone through, a parent can go direct to CMEC. The Bill does not stipulate that they can go to CMEC only in certain circumstances. With all the advice and support that the commission will provide, they can enter into an agreement and, at the end of 12 months, tear it up. That goes against the spirit of the Bill.

I agree with the hon. Member for South-West Bedfordshire that we are dealing with only a small number of case—9 per cent. of cases have maintenance agreements covered by minutes of agreement. Research in Scotland found that 93 per cent. of those agreements are made by owner-occupiers and only 4 per cent. by tenants in rented housing. The research concluded that the agreements were property-driven. Again, I agree with the hon. Member for South-West Bedfordshire, whose new clause 5 seeks to address some of the issues in respect of property agreements. That is important. One of the problems with the Bill has been the fact that so many of the things that will happen will appear in regulations later. We should try to fix a far more detailed arrangement.

4 pm

I accept what the Minister said earlier. There has to be a clear principle that children should be able to benefit from any prosperity that both parents have. The Minister takes the view that we are putting forward tablets of stone that cannot be changed, but neither of the amendments being pressed are like that. I should like to read a little more from what Sir David Henshaw said in his report, because it comes to the crux of whether voluntary agreements will be worth the effort put into them. Sir David said:

> "I recommend that consent orders obtained through the courts should not be able to be overturned by the administrative system. This would remove the current 12-month break-point which enables parents to move between consent orders and the administrative system. The order from the court would be given primacy and the courts would become responsible for varying and enforcing consent orders, in effect tying such cases into the legal system."

I know that when the CSA was created, no standard assessment was made of what should be paid for maintenance. If the CSA has done one good thing, it is to have set in place a fairly well accepted system of what payments should be made.

Mr. Plaskitt: The hon. Gentleman has quoted Sir David Henshaw. Does he also recall the very first recommendation of Sir David's report? I shall remind him of it. Sir David said that although we should

> "Create a system that allows parents to make their own arrangements",

there should also be

> "quick and effective involvement from the state where such arrangements are not possible."

Paul Rowen: I agree, but nothing in our amendment negates that fact.

Mr. Weir: Does the hon. Gentleman agree that an agreement that can be enforced in the same way as a court order is likely to be much quicker than starting from square one and making an application to the Child Maintenance and Enforcement Commission?

Paul Rowen: If some of our concerns about the staffing of CMEC and how it deals with the historic cases are not addressed, we will find that the new commission will not be able to deal with cases. I come back to the point that we are trying to encourage a voluntary agreement and that parents should be able to get advice from the various agencies. Minutes of agreement should have some force of law for the small minority that go into them, but the 12-month rule does not provide that.

Andrew Selous: Does the hon. Gentleman agree that new clause 5 and amendments Nos. 1 and 13 try to support the Government's objective of making voluntary arrangements popular and of making them stick and be an encouragement? In fact, those measures from the Opposition parties try to support the Government's objectives in the Bill.

Paul Rowen: I agree entirely. We need to ensure that the minutes of agreement have some strength and last longer than 12 months. Family lawyers have said that the 12-month rule has acted as a deterrent to couples in making consent orders or minutes of agreement because both parents know that they are free to break the agreement after the 12 months by going to the Child Support Agency.

The amendments are sensible; the numbers involved are small and the amendments would ensure that sufficient safeguards were in place to ensure that any order made proper provision for future maintenance. As the hon. Member for South-West Bedfordshire has said, the amendments support the Government in their main objectives. I hope that the hon. Member for Angus (Mr. Weir), as well as the hon. Member for South-West Bedfordshire, is in favour of putting the amendments to the vote, because we need to place the important issues on the record. We have tried to be constructive and ensure that the Bill delivers its stated purposes.

Mr. Weir: I should like to speak to amendment No. 1, which stands in my name and those of the hon. Members for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) and for Rochdale (Paul Rowen). As has been mentioned once or twice, I have raised this matter on a few occasions previously; Members who served on the Public Bill Committee may find that they have a sense of déjà vu. In Committee, I told the Minister that I had made the last throw of the dice, but I have thought about it again and come back for one last try in the hope of persuading him to see sense.

New clause 2 also refers to Scottish minutes of agreement. I do not understand why the Government tabled it, as it seems somewhat superfluous. It does not change the existing law as regards minutes of agreement, which would fall under the definition in clause 10, but it still means that they cannot last for more than one year. That is the fundamental difficulty with the whole matter. The Conservative amendments also relate to this. If I understand them correctly, two cover England and Wales only and one covers Scotland separately. The same issues apply in England as those that I have raised in respect of Scotland. The Conservatives and the Liberal Democrats supported me during my previous attempts to address this in Committee, for which I thank them. Depending on what the Minister says, I hope that they will support me again today.

The system of minutes of agreement in Scotland means that an agreement entered into and registered has the same legal standing as a court decree and can be enforced without going back to court. That is a fundamental point. As Members will be aware, the introduction of the prospect of separating couples entering into a voluntary minute of agreement under the new system was widely welcomed when the Bill was published.

John Penrose: The Minister said that in the absence of this proposal children are likely to be left without any maintenance because the existing arrangements have broken down. Does the hon. Gentleman agree that that cannot happen because the court order or minute of agreement is enforceable via the courts?

Mr. Weir: It is enforceable in the same way as a court decree. The situation is slightly worse than the hon. Gentleman suggests. If there is an effective court decree that can be enforced by the use of sheriff officers, bailiffs or whoever is used in England for such matters, with arrestment of bank accounts and all the paraphernalia of enforcing decrees, the process can be relatively quick. If that option is not available and it is necessary to go back to CMEC, the process has to start from the beginning again. CMEC might be super-efficient and get things done quickly, but the history of the CSA does not bode well, given that many cases have lain with it for months, if not years, during which time no maintenance has been paid and arrears have escalated, which becomes a serious problem because when enforcement is attempted the arrears are astronomical and the absent parent will go to any lengths to avoid paying them.

As I said, the innovation was widely welcomed, and rightly so. I stress, as did the hon. Member for South-West Bedfordshire (Andrew Selous), that the number of people wanting to enter into a minute of agreement that goes beyond the statutory scheme will probably be low, but it is an important group and it is important to provide choice. However, as things stand under the current legislation, this will have little impact because the minute continues to be restricted to one year. Sir David Henshaw recommended that that rule be abolished. One of the hopes as regards the reform of the CSA was that many more people would enter into minutes of agreement, but retaining the 12-month rule puts a restriction on the number who can do so. I think that the Minister will be disappointed by the number who go on to use minutes of agreement. The Public and Commercial Services union has raised concerns as to whether the numbers that he has projected, which underpin future reductions in staffing, will be met. There is an historical perspective to this in that the original 1991 Act envisaged the Child Support Agency taking over all cases of child support from the outset, which proved well beyond its capabilities. The present one-year rule was introduced to give it a breathing space, and that has now been in existence for seven years because the agency was never able to catch up.

If we are to move forward, we all agree that it is important to get maintenance for children and to get an agreement that is in the best interests of children. The Minister seems to have tunnel vision on the matter; he is looking at only one item. It was the same in the old CSA, which overturned agreements that worked quite well because it was obsessed by the revenue stream, rather than considering the whole circumstances of the family. If we are to allow separated couples to reach agreement, we must allow them some freedom to reach an agreement that suits their circumstance.

If we proceed with the Bill as drafted, no one in their right mind is likely to enter into an agreement that deviates from the child maintenance levels set out in it, despite the fact that we were clearly told in evidence

sessions that many parents wish to consider alternatives. I quote Hilary Reynolds, who I think is the civil servant in charge of the Bill:

"It is worth noting that when we have talked to some clients about what they find important in a voluntary agreement, sometimes it is not regular payments, but lump sums, mortgage or school uniform payments, or whatever. What suits the parents of the child or children will be a variety of things, not just the standard x amount per period."—[*Official Report, Child Maintenance and Other Payments Public Bill Committee*, 17 July 2007; c. 29.]

We also have to remember that when couples with children separate, the agreement comes at a very traumatic period. They are often very wounded, and we are asking them to negotiate an agreement. We need to give them the confidence that the agreement negotiated will be adhered to. I reiterate the point that I made in an intervention on the Minister. As things stand, even under new clause 2—I do not oppose it, but I do not think that it changes the law—parties can still enter into an agreement, and a year and a day later, one of those parties can say unilaterally, "It doesn't matter. This has all worked fine, but I've decided I don't like it any more. I'm going to the commission and asking them to overturn it." The history of the CSA is that many minutes of agreement were overturned because it just looked at the application of the payment for child maintenance. It did not take into account any transfers of capital, transfers of the matrimonial home, transfers of business or anything else, which led to a great deal of problems.

The hon. Member for Rochdale made the point that research has shown that many agreements were property-driven, which is probably correct because they were bound by capital payments. Sometimes, however, the property is the only large asset there is, and in many cases where a couple are separating, the other party disappears off the face of the Earth as soon as the separation is through. A house is an asset—that is why we have mortgages. It is sitting there, immovable. In many cases one party would very much like to get the house before the other party disappears. The Minister's objection in Committee, which is coming through again today, seems to be the fear that such agreements will be used to get around obligations for child maintenance. None of us wants to see that happen. We all want both parents to adhere to their obligations. We are all trying to get to the same thing, but the Minister is transfixed by that fear. I do not believe that his fear would be realised. Such minutes of agreement, in my experience in my previous life, are not set in stone. They contain provisions for amendment through passage of time or change of circumstances.

We all recognise that child support is a long-term matter. It is not for one year or five, but for 15, 16 or 17 years. There are some parents who will go to extraordinary lengths to avoid paying for their children. Frankly, however, it does not matter what rules are in place; those who are prepared to do that will still be prepared to do it. The new agency should be concentrating its fire on those cases. Those parents who accept responsibility and are prepared to enter into a sensible agreement should be allowed to do so, and to do so in terms that fit their circumstances. I mentioned the problems with the old agency overturning such agreements and if the rule remains in the current form, the problem will continue. CMEC could do exactly the same and the same problems will arise. No one will enter into a minute of agreement on other than the standard terms.

4.15 pm

After Committee, I tried to think about the Minister's objections to the amendments that I tabled. That is why amendment No. 1 takes its present form. I tried to incorporate some terms that would alleviate the Minister's concerns. I made it clear that there must be independent legal advice before the agreement is signed. The husband cannot say to the wife, "Sign the document, or else," or put pressure on her. They have to receive proper legal advice. I have also made it clear that the agreement must contain

"provisions for the maintenance of any children whether by regular payments, transfers of capital or a combination of the two".

It must address the point of maintenance for children.

The agreement must also contain provision

"to reconsider any regular payments in the event of a material change of circumstances".

If circumstances change, as they do over a large number of years, the parties can reconsider the minute of agreement. They can do so through the courts or, if trust has built up over the years, they can adjust it themselves with appropriate legal advice. The provisions should be enforceable in the court. As I said at the beginning, a minute of agreement, if registered in the books of council and session, can have the same impact as a court decree.

I do not argue that such agreements will be for everyone. Nor do I believe that they are likely to be the norm. They will be for a minority, but it could be a significant minority. They offer a realistic and effective way of dealing with child maintenance without involving the agency. They would take people out of the system and allow them, between themselves, to come to a reasonable agreement. That is behind the idea of allowing minutes of agreement in the first instance rather than involving the agency and all the bureaucracy and problems that there have been. That is why I drafted the amendment to lay down strict conditions that deal with the problems foreseen by the Minister. I hope that he will think again. We should be prepared to allow parents who can do so to enter into such agreements and not insist on the state dictating terms because of the fear that some feckless fathers will use it to get round their responsibilities. Let us try to get that right now; otherwise the problem will continue under CMEC as it did under the CSA.

Mr. Speaker: I call the hon. Gentleman—Mr. Carswell, is it?

John Penrose: Mr. Penrose.

Mr. Speaker: Mr. Penrose. Forgive me.

John Penrose: It is all right, Mr. Speaker. I am prettier than my hon. Friend.

I rise to agree with all the points that have been made in opposition to the Minister's points, particularly the points of principle, and to add two small points to those that have already been made by fellow Opposition Members.

First, I am concerned that the Minister tried to justify his position by saying that he believes that it is important to allow people recourse to CMEC if a minute of agreement or court order is no longer working—I paraphrase. As has been ably pointed out, there are plenty of recourses and remedies, if that situation should

[John Penrose]

arise, that do not require people to go back to CMEC. There are plenty of courses that people can use via the courts to vary an agreement that do not require them to go back to CMEC. There does not have to be a mandatory solution for people to go off to CMEC just because court orders or minutes of agreement are likely to fall over and leave people with no maintenance—I think that that was the phrase that he used. That situation is not likely to arise, because the courts will ensure that it cannot. I am stuck when it comes to understanding what mischief the Minister is trying to avoid. I suspect—I fear—that he is trying to avoid allowing any sort of agreement that diverges from the Government's preferred set of purely revenue-based solutions. Why is not he willing to trust the people who are best placed to work out what is right for them—the two separating parents, who have the blood connection with the child—on the assumption that they are being properly legally advised, through court proceedings, on both sides? It is not a big thing to ask. I believe hon. Members should trust the people who put us here, and trust that they are being carefully advised. I fear that the Under-Secretary is worrying about people disagreeing with the Government's preferred Revenue-based solution rather than trying to provide them with a genuine choice.

Even if the Under-Secretary does not agree with that basic point of principle, may I at least ask him to tackle two technical points, which may be about to hit him on the back of the head if he does not accept some of the more broad-based points that the Opposition are making? If, as he has enunciated in the past, he genuinely wants to reduce the number of cases going to CMEC compared with the number that the CSA handled, does not it make sense to try to allow as many people as possible to choose the route of minutes of agreement or court orders rather than providing a method of undermining those and therefore driving people back to CMEC after a year and a day? Does not he accept that the number of cases coming to CMEC is likely to be higher in future than it would otherwise have been?

It would also be helpful if—either in the Bill or through regulations—the Under-Secretary tried to explain and define in a bit more detail what he means by a minute of agreement or a court order that is not working. Can he put boundaries around that? For example, the Government have already accepted that they do not wish people to be able to vary their maintenance agreements if their income has changed by less than 25 per cent. up or down. Yet, a year and a day after a court order or a minute of agreement was made, if the income of the parent who pays the maintenance had increased by, for example, 15 or 20 per cent., and would not, under the Government's existing scheme, be eligible for a CMEC-based change to maintenance, the parent with care could request a new order under CMEC because they would get more money under the new regime through the increase in the income of the parent without care, which had nevertheless not increased by as much as the Government determined in the Bill was an appropriate amount to allow for a variation in the payments. Surely that would be a breach of the Government's attempts to limit the number of changes of circumstances and times that people have to go back to CMEC.

If the Government are willing to accept the principle of variation of income for CMEC cases, should not they also be willing to define the circumstances in which a court order or a letter of agreement can be varied before people can return to CMEC? Will not the Government at least put some boundaries around that, so that it is not simply a question of the parent with care being able to go back to CMEC under any circumstances? Surely the Government should be willing to place limits on that, even if they are not willing to accept the broader principles that the Opposition have expressed.

Mr. Plaskitt: We have largely rehearsed a debate that we held in Committee. Indeed, we are almost a reunion of Committee members at the moment. As some hon. Members have said, I indeed listened carefully to their points about the 12 months and I undertook to think about them again. I did so and I have to tell them that none of the arguments that they presented in Committee or this afternoon has convinced us to change our position. Listening again to the arguments, I think that the Opposition misunderstand the Government's view of court-based settlements. It was implied that we do not like parents to go down that route and that we do not want them to take that option. My views are confirmed by hon. Members nodding their heads. They believe that we are trying to impose a 12-month arbitrary rule, saying, "You can have it for 12 months; then you must come to us", as if we are seeking to beckon people into CMEC. I am encouraged by the nodding heads because it confirms my view of Opposition Members' approach.

However, those views are not correct. The Government have no problem with people going to the courts for an agreement or a minute of agreement in Scotland, if that is the route that they choose, nor are we saying that such agreements should expire after 12 months and then come to CMEC. As hon. Members have said, it may be perfectly possible within the terms of some court-based agreements or minutes of agreement to return to the court to deal with any problem that has arisen, to get variation in them or to have them considered again. That is of course still an option. Where the parents want to do that and where it is appropriate, that is what they will do.

The point about the 12-month rule is to cover the eventuality where there is a breakdown—I shall come to the point that the hon. Member for Weston-super-Mare (John Penrose) raised about what a breakdown constitutes—and where going back to the court is not an option because it will take far too long or be too expensive for the parents involved, for instance. Where there is a breakdown and no option of returning to the court, there must be provision to secure some kind of settlement, in the interests of ensuring a flow of maintenance to the children. I repeat: that does not mean that we are against court-based agreements or minutes of agreement, nor does it mean that some of them cannot have the flexibility to be adapted as they go along. Some may last for a long time and be perfectly successful. However, where there is a breakdown and recourse to the courts is not going to work, provision must be made to get maintenance flowing to the children. In those circumstances, one of the parties to a previous agreement now has the option to come to CMEC after 12 months, if that is the only way to get the flow of maintenance for the children.

Paul Rowen: I am puzzled by the Minister's comment about it not being possible to go back to the court. Amendment No. 1 sets out a clear framework within which either party can go back to court if circumstances change. I just do not see what his objection to that is.

Mr. Plaskitt: I think that either the hon. Gentleman has misunderstood or I did not express myself clearly enough. In many circumstances it will indeed be possible to go back to court. It is implicit in a court-based agreement or minute of agreement that either party can go back to the court if they wish. I am saying that where there is a complete breakdown and one party decides not to go back to the court, there must be a mechanism to ensure a flow of maintenance for the children. In those circumstances it may in future be more appropriate to come to the commission.

Mr. Weir *rose—*

Mr. Plaskitt: I promised that I would deal with the point that the hon. Member for Weston-super-Mare raised about what constitutes an arrangement not working. It is not for me to define that, nor is it for the agency now or the commission in the future. Parents will know if the arrangement is not working. The hon. Gentleman says that we should trust the people who are most closely involved. It may well be that circumstances will change for one or both of the parties after an initial agreement has been struck, but that there is no longer provision within the court-based agreement or minute of agreement to deal with those changed circumstances. The parties will know that, because they will no longer be able to support the children, for example. Those are the circumstances in which they will want to take another route to secure a flow of maintenance. It will be their judgment and understanding that an agreement has broken down, not ours.

Mr. Weir: I understand what the Minister is saying, but if the parties enter into a minute of agreement that deals with capital, houses or whatever, as well as with maintenance, and one of the parties decides that it has broken down, whether the other party agrees or not, and goes to CMEC, what will CMEC look at? All CMEC will look at is the percentages of income that need to be paid for a child. There is no way, under its own rules, that CMEC can look at a minute of agreement on anything other than a straightforward division of maintenance, so nobody in their right mind will enter into an agreement that covers anything other than that if the rule stays in place.

Mr. Plaskitt: CMEC is not a separation agency. It is there to ensure maintenance for children. That is the whole point. Again—I am struggling to see what problem the hon. Gentleman has with the provisions—we are saying that where an agreement breaks down and there is no provision for a regular flow of maintenance to a child or children, there must be a way of securing it. It is right to give the parent or parents the choice of accessing the commission in those circumstances.

Several hon. Members *rose—*

Mr. Plaskitt: I shall take a few more interventions on this, but we need to make some progress at some point.

Andrew Selous: I agree that we need to make progress shortly, but let me have one more try with the Minister. Does he not accept that in some circumstances, this could seriously be the only means whereby the mother is able to afford a fairly decent roof over her head? The 12-month rule and the current rules on capital transfer mean that there will be fewer non-resident parents willing to make the offer, which could be the one thing, above all else, that the mother wants.

4.30 pm

Mr. Plaskitt: It would be a powerful point if there were any evidence of that effect—*[Interruption.]* Well, the 12-month rule has been in force since 2003 and I can tell the hon. Gentleman that there is absolutely no evidence to date that this is operating on property settlements in the way that he suggests. I do not think that it is correct to make that argument.

John Penrose: Let me return to the Minister's point about parents defining when something has broken down. The burden of his response seemed to be that he is reluctant for the Government to set a definition, so may I encourage him to be a bit braver? I say that because the Government have already set some boundaries around what they regard as an acceptable degree of change in income for any arrangements made directly through CMEC in the first place. The Government said that income has to vary by 25 per cent. or more before parents can go back to CMEC for a change in maintenance arrangements. If the Government are willing to set that 25 per cent. boundary as a minimum level of change before people can go back, why are they not willing to apply the same principle to people wanting to start a new claim through CMEC because they want to vary something decided on by the courts? Surely the same principle should apply.

Mr. Plaskitt: I think that the two are entirely different. The point about the 25 per cent. boundary is that we are trying to move away from the difficulties that the hon. Gentleman knows were experienced by agencies in having to deal with an infinite number of reported changes of circumstances and changes of income levels, which made administering the system virtually impossible—or at least difficult to do smoothly and quickly. That is why we opted for the model of annual settlements and the 25 per cent. variation to regulate the extent to which we are doing recalculations and to give the commission a firm administrative basis to work from. That is not the same as trying to second-guess or anticipate the causes of a breakdown in a hitherto established agreement, which is not a parallel situation. I do not think that the hon. Gentleman's argument runs from the 25 per cent. arrangement over to this arrangement.

I am, of course, disappointed in not having been able to dissuade Opposition Members from persisting with their amendments. I reiterate that, despite what they have said—sometimes explicitly, but certainly implicitly—the Government are not opposed to court-based agreements. We entirely accept that some may well last for the duration, which is fine. We are aware of no evidence that the 12-month rule is undermining court settlements or discouraging people from going for them; neither is it having the effect on property that has been suggested. I reiterate that there must be a mechanism for dealing

[Mr. Plaskitt]

with instances of these court-based agreements breaking down in the interests of ensuring a flow of maintenance to children. If Opposition Members press their amendments to the vote, I will ask my hon. Friends to oppose them.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

OFFENCE OF FAILING TO NOTIFY CHANGE OF ADDRESS

'(1) In section 14A of the Child Support Act 1991 (Information — offences), after subsection (3) insert—

"(3A) In the case of regulations under section 14 which require a person liable to make payments of child support maintenance to notify a change of address, a person who fails to comply with the requirement is guilty of an offence."

(2) In that section, in subsection (4), after "subsection (3)" insert "or (3A)".'.—*[Mr. Plaskitt.]*

Brought up, and read the First time.

Mr. Plaskitt: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss new clause 6—*Contact addresses*—

'Non-resident parents who are required to make maintenance payments under the Child Support Act 1991 or this Act must take reasonable steps to provide an address at which they can be contacted by the Commission.'.

Mr. Plaskitt: New clause 1 will make it a criminal offence for a non-resident parent not to report a change in his or her address to the Child Maintenance and Enforcement Commission. We will amend secondary legislation to introduce the specific requirement to report such a change.

Although existing legislation requires both parents to report certain changes in some circumstances, that does not cover routine changes of address. The Child Support Agency must still ask the non-resident parent to supply details of his or her new address. Only if he or she refuses, or fails to comply with a specific request, can the agency take action. As a result of the new clause and consequential changes to secondary legislation, as long as the non-resident parent is made aware of the new requirement the commission will not need to make any specific request, and will be able to consider criminal prosecution when an unreported change occurs.

Maintaining up-to-date address details for non-resident parents will allow the commission to take swifter enforcement action, and will help to ensure that annual reviews are completed without delay. It will also help to prevent the non-resident parent from manipulating the system, for example by claiming that he or she did not receive a warning that a deduction from earnings order would be imposed. Introducing such a requirement, with an associated criminal penalty for failure to comply with it, is not unprecedented—for instance, it is an offence not to notify the Driver and Vehicle Licensing Agency of a change of address—and I believe that this is a sensible and necessary requirement for the commission to adopt.

New clause 6, tabled by the hon. Member for South-West Bedfordshire (Andrew Selous), would place non-resident parents under a legal obligation to supply the commission with addresses at which they could be contacted. While I agree with the sentiment behind the new clause, I hope the hon. Gentleman appreciates that new clause 1 would achieve much the same effect, and that the Government's approach, unlike his, is backed by sanctions. On that basis, I hope he will agree not to press new clause 6 to a vote.

Andrew Selous: I expect there to be much more agreement on these new clauses than there was on the last group of new clauses and amendments. I can tell the Minister at the outset that I shall be happy not to press new clause 6, as new clause 1 is slightly better drafted and, unlike mine, contains an offence category. Nevertheless, I feel that I can claim a small amount of credit, because I told the Minister in Committee that I felt that this measure should be in the Bill. When I was a member of the Select Committee during the last Parliament, the hon. Member for Hendon (Mr. Dismore) raised the matter with the then chief executive of the Child Support Agency.

It is a fact that many non-resident parents simply disappear from the radar screen and cannot be traced, and it should be a basic requirement for them to inform CMEC of their permanent addresses. However, I should like to know what information the Government intend to publish about prosecutions for this offence. It is one thing for the Bill to specify an offence, and another thing for action to be taken. In the past, CSA powers have not always been used so extensively.

I should also be interested to know whether the Government intend to contact the utility companies, and perhaps mobile phone companies, when trying to obtain addresses. Hon. Members have raised constituency cases in which mobile phone companies have clearly known the addresses of non-resident parents. Will mobile phone and utility companies be under any obligation to give the Government the information? Given the inclusion of new clause 1 in the Bill, it seems to me an odd state of affairs that companies might not pass on information that the Government require.

My ears did prick up somewhat when the Minister mentioned the DVLA requirement that all motorists must provide their address to it. Is he aware of the serious problem of drivers who provide what are effectively post office addresses, or addresses at which the police have absolutely no hope of making contact with them? I have called an Adjournment debate on that subject, as it happens to be a particular problem in my constituency for reasons I am happy to tell the Minister about afterwards. It is a widespread problem; it is a problem for at least 13 police forces across the country. The Minister might need to look into this matter more carefully, perhaps in another place, and he might also need to reword his new clause because I have worries that it might not be as well worded as it should be—although I accept that it is better worded than mine. I am happy to speak to him about the experiences I have had with the DVLA.

If we are to include such a provision in the Bill, we should ensure that it works. We had a history of the CSA not having the powers it needed, and it will be a travesty if we bring forward a measure that we think will work and then find that it is defective.

Paul Rowen: I welcome these new clauses, as a serious issue highlighted in the Select Committee report is that there is an arrangement in only 51 per cent. of current cases; the other 49 per cent. do not have an arrangement. The reasons for that include the reclaim of benefit proceedings in respect of the CSA, and non-resident parents going missing and it being difficult to track them.

The hon. Member for South-West Bedfordshire (Andrew Selous) talks a lot of sense, however, when he highlights some of the problems that will be encountered in enforcing this new regulation. While I welcome it, it might need to be fleshed out more in the other place, because it is important that the relevant agencies and utility companies understand that if a parent does not provide the necessary information CMEC will have the wherewithal to require various bodies to provide it. That is what is missing from the new clause. I welcome what it does, but we should amend it a little further to ensure that CMEC has the legal powers to require agencies to provide information about a non-resident parent when that person is clearly breaking the law and is not providing CMEC with a change of address. If CMEC is to be effective—if the mere 51 per cent. of cases with arrangements is to increase—we need stronger powers even than those that are currently included in the new clause.

Mr. Plaskitt: The hon. Member for South-West Bedfordshire (Andrew Selous) is entirely right that he raised this matter in Committee, and because we had been listening we thought about it and agreed that this aspect needed strengthening—hence the new clause. As the Government are better at drafting them, our new clause is stronger than his. I welcome his decision not to press his new clause, as we want to achieve the same result and this debate is merely about how to get right the mechanism for doing it.

The hon. Gentleman asked about publishing information on prosecutions. They will, of course, become a matter of record, but I point out to him that at the end of October 2007 the CSA had prosecuted 198 cases for failing to supply information in this financial year, and over the same period the agency has prosecuted seven cases for supplying false information. All of them have been successful. I do not know what the scale of prosecutions will be in respect of the new offence, but once it is in force and is applied the figures will be public information.

The hon. Gentleman asked, as he did in Committee, about access to mobile phone records. Mobile phone billing addresses are classified as low-level communications data under the Regulation of Investigatory Powers Act 2000, but the CSA is not a registered public body under that legislation, which is why it does not have access to the records. It will be up to the commission, once it is established, to decide for itself whether it wants to register and therefore fall under that legislation.

4.45 pm

I welcome the hon. Gentleman's comments about the use of post office addresses and non-traceable addresses. I shall look into that issue, and I am grateful to him for raising it. I am pleased that the hon. Member for Rochdale (Paul Rowen) also welcomes our proposal. He rightly says that it needs effective sanctions behind it—it has them. The offence will be very clear and the necessary sanction will be in place to enforce it. I am pleased that new clause 6 will not be pressed to a Division and that there is support for Government new clause 1.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 3

OBJECTIVES OF THE COMMISSION

'(1) The Commission shall have the following objectives—

(a) to seek to ensure that every child who is living apart from one or both parents continues to share in the income and prosperity of both parents throughout their childhood, through the establishment of effective maintenance arrangements;

(b) to enforce liabilities incurred pursuant to the Child Support Act 1991 (c. 48), whether or not a current liability for a child exists.

(2) In promoting the establishment of effective maintenance arrangements for a child under subsection (1)(a) the Commission shall—

(a) encourage and support the making and keeping by parents of appropriate voluntary arrangements for their children;

(b) support the making of applications for child support under the Child Support Act 1991 and secure continuing compliance, when appropriate, with parental obligations under that Act.

(3) The Commission shall aim to pursue, and to have regard to, its objectives when exercising a function that is relevant to them.'.—*[Andrew Selous.]*

Brought up, and read the First time.

Andrew Selous: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

New clause 7—*Approval of Operational Plan*—

'(1) The Commission must—

(a) prepare an Operational Plan to establish how it will meet its objectives under section 2 of this Act and;

(b) publish the Plan in such manner as the Commission considers appropriate.

(2) The Secretary of State must lay before Parliament a copy of the Operational Plan published under this section.

(3) The Operational Plan shall not have effect unless, within three months of the date on which it is laid before Parliament, a motion has been made in each House considering the Plan.

(4) The Secretary of State may by regulations determine the categories of information to be included in the Operational Plan.

(5) Regulations made under subsection (4) may include details of staffing levels the Commission considers it appropriate to maintain in order for it to fulfil its functions.'.

Amendment No. 12, in page 1, line 7, leave out Clause 2.

Amendment No. 17, in clause 2, page 1, line 10, leave out subsection (1) and insert—

'(1) The Commission's main objectives are—

(a) to maximise the number of those children who live apart from one or both of those parents for whom effective maintenance arrangements are in place;

(b) to secure the payment of any arrears of child support maintenance including sums owed pursuant to the Child Support Act 1991 (c. 48) prior to the establishment of the Commission.'.

Andrew Selous: I am sure that the Government will agree with the objectives of the new clause, which are primarily to ensure that CMEC is reminded of its specific and important obligation to chase up and secure the historical arrears of child support liability. The arrears able to be collected and paid are reckoned to be £1.4 billion. That massive sum should have been paid through to the children of this country but has not, and we are determined that it will not be forgotten or pushed under the carpet.

I accept the Government's genuine commitment to this area of debt, and I do not doubt either the veracity of what the Minister said in Committee or his intention. CMEC will be a non-departmental public body and it is vital that this matter of debt is included in the Bill. That is why we have adopted the draconian approach of proposing to remove clause 2 and drafting new clause 3. The Minister will recognise much of clause 2 in new clause 3. He will be pleased that we have not really proposed removing anything—we have merely proposed adding the highly important requirement that the historical debt should be recorded in the Bill.

We have also proposed that "every child" should have a right to continue

"to share in the income and prosperity of both parents throughout their childhood".

Clause 2 has a slightly different wording. It aims

"to maximise the number of those children...for whom effective maintenance arrangements are in place."

The Minister may think that we are merely proposing a small change of words, but the phrase "every child matters" is significant—he will recognise it from elsewhere within his Government.

It is important to focus on the issue of debt. In June, 881,300 non-resident parents were in arrears, 91,470 of whom owed £10,000 or more. Some of my constituents have debts of £30,000 to £40,000 owed to them, which they want paid over to their children. We welcome the CSA's operational improvement plan target to collect an additional £213 million of debt by March 2009, but we want CMEC's instructions in this regard to be clear in the Bill.

The CSA's 2006-07 annual report has not yet been published, so we do not know the current level of debt. The report is overdue, and we hope that it will be published soon.

In Committee, Ministers described effective maintenance arrangements as those that are working, where money is flowing and in which parents meet their financial responsibilities. That is right as far as it goes, but it contains no reference to the historical debt. Indeed, it refers to cases with a continuing maintenance obligation, and in many cases of debt there may be no current maintenance liability, perhaps because the child has left secondary education or is living with the former non-resident parent.

A generation of children have lost out on the vital financial support that Parliament said they should have because of the failure of the non-resident parent to pay child support and the failure of the CSA to enforce those liabilities. Those debts must not be forgotten. Non-resident parents must not be allowed to escape their obligations. The legacy of failure cannot be simply brushed aside as many families are still owed large amounts of money.

The CSA already has an enormous armoury of enforcement weapons at its disposal and it has not always used it with sufficient rigour in the past. The problem has not been a lack of tools, but the fact that debt collection and enforcement has not been as high a priority as it should have been in the CSA. The processing and collecting of current maintenance was given higher priority. New clause 3 would ensure that past debt has equal priority, and that would be laid down in primary legislation.

When the new commission configures its business model, it should do so around two equal objectives—the responsibility to establish and actively support continuing child maintenance, and the responsibility to collect past debts. On that basis, I hope that the Minister will look favourably on new clause 3.

Paul Rowen: I shall speak to new clause 7 and amendment No. 17. The latter would do what the hon. Member for South-West Bedfordshire (Andrew Selous) seeks to achieve with new clause 3, and we will support him if he chooses to press that to a Division. We made the point in Committee that the new commission must make a commitment to the collection of historical debt.

On the basis of figures from March 2006, £3.5 billion has not been collected by the CSA, and the total rises by £20 million a month. That is according to last year's CSA report, and the 2006-07 report will probably show a further increase. We all have examples of non-resident parents who have gone missing and owe the parent with care tens of thousands of pounds. A lady who came to see me last year is owed £24,000, which has placed a huge burden on her. It means that her children are not getting the support that they deserve and the non-resident parent has got away with evading his responsibilities

We have all signed up to the main aim that CMEC should be a fresh start—a clean break from the CSA and the failures of the past. Some of us argued that it might be better if the past debt were dealt with by a residuary rump, which could concentrate solely on that. The Government did not come to that decision, but it is important that CMEC's objectives should state clearly that it has a major commitment to clearing that historical debt.

A generation of children has already grown up without the benefit of the support that the CSA was supposed to provide for them. They have gone through the system, but in establishing CMEC we need to ensure that the actual collection of the historical debt has equal priority with the new arrangements for a new generation of children. As the hon. Member for South-West Bedfordshire said, almost 100,000 of the 881,300 non-resident parents with arrears owe more than £10,000. That is a huge amount, so it is important that we make that debt a major priority.

New clause 7, which we shall press to a vote, would make provision for Parliament to approve the operational plan. The plan would have to be laid before Parliament by the Secretary of State and considered by both Houses within three months. Regulations under the operational plan would have to give detail about the staffing levels the commission considers appropriate.

A major concern about the Bill—expressed by Janet Allbeson of One Parent Families, who gave evidence to the Select Committee—is that it is very much a

skeleton, and much of its detail will be in regulations, which, of course, are impossible for us to amend. It is true that CMEC will have to provide an annual report to the Secretary of State, which can be laid before Parliament. With great respect, however, I suggest that an annual report is just that; it looks back at the year that has just finished. It does not give Parliament the wherewithal to hold that new arm's length agency accountable for what it plans to do in the coming 12 months. Insisting that the operational plan be laid before Parliament would deal with many of the issues that we raised in Committee, such as the IT systems, the staffing levels or the giving of information and advice, provision for all of which is to be made later. Some of the regulations have been produced for us, as the Minister promised in Committee, but they are still only in draft and we do not have all the information.

One of our major concerns is about staffing. The regulatory impact assessment is that CMEC's caseload will be reduced from the current figure of 130,000 for the CSA to 100,000. That may be the case. The staffing cuts already programmed envisage a 15 per cent. reduction for CMEC, taking the head-count down to 9,500 by March 2008, which in a perfect world might be okay. However, the problem that we have, and the concern that we raised in Committee, is that we have no evidence yet as to whether the case load will reduce as quickly and as drastically as is envisaged in the plan.

5 pm

We argued in Committee that there should be no reduction in staffing levels until CMEC has proved that it is functioning at the required standard. One of our concerns is that a new series of arrangements will have to be put in place, a new series of advice and information will have to be set in train, and new cases operating under the third type of child maintenance system will have to dealt with—at the same time as dealing with the huge historical debt and the nearly 900,000 non-resident parents who are in arrears. If that happens, and the staffing reductions continue, Parliament will have no recourse to hold CMEC to account.

It is unfortunate that so much of the detail of how CMEC will operate has not been included in the Bill, although both Opposition parties moved amendments to try to change that. The new clause would make CMEC more accountable to Parliament. The new commissioner has already been appointed, despite the Prime Minister's statement about appointments being approved by Parliament. That has not happened in this case. The rest of the board, however, has not been appointed, and the House should have some say in how CMEC is going to be run. Giving it a statutory duty to present to Parliament an annual operational plan that looks forward not back—which is what we believe that the annual report will do—will give the House a proper opportunity to make sure that, at the third attempt, following the setting up of the Child Support Agency, CMEC delivers on its objectives.

Although we have signed up to the broad brush of what the Government are trying to do, we believe that a lot of the detail has still not been filled in—detail that is vital to the success of CMEC. I am talking about staffing levels, IT support, and the provision of information and advice. None of those things are decided yet. If the operational plan were laid before Parliament, there would be an opportunity for Members on both sides to contribute positively to ensuring that CMEC gets the start that we all want. I hope that the Minister will support the new clause, which is not controversial. Implementing it would involve no additional costs. However, it would ensure that hon. Members could play a full part in ensuring that CMEC delivers on its objectives.

Mr. Weir: In principle, I support what hon. Members are trying to do. Like other hon. Members, I have many constituents—mostly, but not exclusively, women—who are owed huge debts by absent parents. Those absent parents have been chased for many years, but, to date, there has been little success in obtaining the money. However, there is one point that gives me some concern. The question of how the historical debt arose was raised during the evidence session in the first sitting of the Public Bill Committee. In particular, in the early days, if the CSA could not get in touch with somebody or somebody did not respond, it would often put in an assessment on the basis of an assumed income, which was much higher than the person's real income. As a result there is a large historical debt, going back many years, based on an income that the person who owes the debt never had. One could argue that that is the person's own fault for not dealing with the CSA in the first instance. However, it raises the question of what we are going to do about setting out the true level of historical debt.

When we asked Lord McKenzie about that point in the evidence session, he said:

> "We would like as many of those old debts to be cleared as possible. Obviously, that is quite resource-intensive...One of the things that it is proposed we do is, rather than write off debt, create a provision for reflecting the effect of inflated or uncollectible debt in the account. However, those debts would remain in being and would not be written off until there is consent from the parent with care."

The difficulty with that approach is that there could be a large debt that was not actively chased on behalf of the parent with care. In fact, nothing would be done with it—it would simply sit on the accounts of the CSA or CMEC. When Stephen Geraghty was asked about this, he said:

> "There comes a point in any debt collection exercise where it is a question of how much we can get. I think that we are a long way from that, but presumably the commission and Parliament will, at some point, want to consider whether they want to keep the debts going."—*[Official Report, Child Maintenance and Other Payments Public Bill Committee,* 17 July 2007; c. 34-35, Q83-84.]

There could be two types of debt: debt due to the Treasury; and debt due to parents with care. While I fully support what the hon. Member for South-West Bedfordshire (Andrew Selous) is trying to do—I do not want real debt to be written off either; I want it to be pursued—I am a little worried about how we set the level of the debt. Will we take any account of what was, presumably, inflated debt in the first instance?

Paul Rowen: Does the hon. Gentleman accept that our experience of the poll tax was that local councils dealt with high levels of non-compliance and non-payment? The bulk of that debt has now been collected through continued enforcement action, and very little has been written off. How much of the £3.5 billion does he think should be written off?

Mr. Weir: I understand what the hon. Gentleman is saying, and I am not suggesting that the debt should be written off. However, there is a fundamental difference between debt involving the poll tax and that involving the CSA. The poll tax debt was known to be correct—people simply did not pay—and there is still a fair amount outstanding in many local authorities. I would like to know what is proposed to address the problem that there might be a lot of ancient debt that does not reflect the true liability.

Andrew Selous: If the hon. Gentleman looks at the Bill, he will see that clauses 29 to 32 address debt management powers. There is universal agreement on both sides of the House that the figure of £3.5 billion is artificial. It was created along the way when some extra liabilities were imposed, almost to try to get the attention of non-resident parents. I am focusing on the £1.4 billion figure. If addressing that amount was one of CMEC's objectives, I would be happy.

Mr. Weir: I thank the hon. Gentleman for that clarification, which has put my mind at rest to some extent. However, his proposal does not say that; it refers only to the debt. There is a danger that if we are saying to parents with care, "We will pursue your debt," we may well be thinking about different figures. They might be thinking that they are due a sum of £30,000 or £40,000, but the true figure might be less than that. I would not like to raise false expectations of the amount that they might get.

Mr. Plaskitt: I am grateful to the hon. Members for South-West Bedfordshire (Andrew Selous), for Rochdale (Paul Rowen) and for Angus (Mr. Weir) for their contributions to the debate. Reference was made to the agency's 2006-07 accounts, and I am happy to confirm that they have been laid today.

We believe that the existing objectives are right, and remain the best way to achieve the outcomes that we want for children. The amendments would give the commission two main objectives rather than a single overarching one. They would give the commission a second objective, of equal standing, requiring it to secure payment of arrears accumulated under the Child Support Act 1991. However, the objectives, as drafted, already set the collection of debt as a priority for the commission. The last part of the second subsidiary objective is to secure parental compliance under the Child Support Act. As I explained in Committee, that sets the commission a clear objective of securing compliance with all liabilities under the Act, including the collection of arrears, regardless of when they arose.

We believe that it is right that that is a subsidiary objective. The overriding priority of the commission must be to get effective maintenance arrangements in place for as many children as possible. By focusing on that, the commission will be helping to eradicate child poverty, and it is difficult to envisage a more important objective. However, I stress again that the arrangements do not allow the commission to ignore existing debt in any way. I hope that I have sufficiently emphasised the fact that the subsidiary objective prevents that. In addition, we expect the commission to have clear targets underpinning each of the objectives, including those on debt. The collection of arrears is vital to the successful delivery of the main objective. The system will not work unless the commission is seen as an effective collector of the money owed to parents with care.

We have concerns about the wording of the first main objective in new clause 3. First, we do not believe that it is feasible to require the commission to ensure that there is a maintenance arrangement in place for every child; indeed in some cases—for example, where the non-resident parent is violent—it may not even be appropriate. Requiring the commission to maximise the number of effective maintenance arrangements in place achieves the same clear goal, but without the difficulties. Secondly, although we wholeheartedly agree in principle with children sharing in the income and prosperity of both parents, we do not believe that the wording of the new clause is necessary; in fact, it may present problems.

The current objectives have broadly the same effect as those proposed in the new clause. The commission must maximise two types of arrangements: arrangements established through the statutory maintenance service, which are, of course, based on the income of the non-resident parent, and appropriate voluntary arrangements. "Appropriate" means arrangements that are suitable given the particular circumstances of the parents in question, and arrived at in full view of all the available information. That information includes the amount that would be received through the statutory maintenance service, and we expect most voluntary arrangements to be broadly in line with the formula. That will ensure that children share in the income of both parents.

However, the whole point of voluntary arrangements is that they are flexible and can be tailored to the specific needs of parents. We want the commission to support parents in reaching the arrangements that are best for them. We do not want the commission to interfere in an attempt to ensure that arrangements are closely linked to the non-resident parent's income. The final part of the proposed first objective refers to

"the establishment of effective maintenance arrangements".

We deliberately want the focus to be on arrangements being "in place", as the Bill says, rather than just being "established", so as to emphasise the importance of arrangements being sustained, not just set up.

New clause 7 proposes that we legislate to require the commission to prepare, publish and lay before Parliament an operational plan detailing how it will meet its objectives. Let me see whether I can dissuade the hon. Member for Rochdale from pressing that new clause to a Division. It is clearly essential that the commission produce robust plans and shows how it will meet its objectives. However, we do not need to legislate for that, as Treasury guidelines already make such actions a requirement of the commission's funding.

The framework document that must exist between the sponsor Department and an arm's length body requires that a number of financial and management documents be in place. They include a corporate plan looking three years ahead, which the body must submit annually to its sponsor Department. Treasury guidance sets out the key matters that should be included in the plan. Those matters include: the key objectives and performance targets for the future years, and the

strategy for achieving those objectives; alternative scenarios and an assessment of the risk factors that could affect the plan but which cannot be accurately forecast; and other matters that can be agreed between the Department and the body.

The first year of the commission's corporate plan will form the commission's business plan and must include key targets and milestones for the year immediately ahead. It must also include budgeting information to enable the Department to identify the resources that will be allocated for specific objectives. Of course, we expect that to cover staffing levels—an issue that the hon. Gentleman mentioned. Treasury guidance also requires the corporate and business plans of all non-departmental public bodies to be published on their websites, and to be made available to staff separately.

We believe that that is sufficient to allow scrutiny of the proposals, and that it would be inappropriate for arm's length bodies' business plans to be subject to approval by Parliament. It is worth noting that the commission is already accountable to Parliament through its annual report and accounts, which must be laid before Parliament. The Secretary of State is accountable to Parliament for the commission's overall performance.

5.15 pm

Paul Rowen: Does the Minister not accept that there is a fundamental difference? Treasury guidance advises that business plans be put on the website. The Bill is a skeleton measure, and we want to make sure that working arrangements are subject to scrutiny by Parliament, which is a fundamental difference.

Mr. Plaskitt: With respect, I do not think that the hon. Gentleman has made the case for making the detailed operational plans of a non-departmental public body subject to approval by the House of Commons. There is no precedent or argument for doing so. I entirely accept his desire to subject the commission's activity to adequate parliamentary scrutiny—of course, that is right—but as I tried to explain, the commission is obliged to publish its accounts and annual report, and it remains answerable to Parliament via the Secretary of State, who must appear before the House. I believe that those provisions are adequate, and it is not appropriate to go further and try to micro-manage the department's operational plan on the Floor of the House. I hope that, with those reassurances, the hon. Member for South-West Bedfordshire will agree to withdraw the new clause.

Andrew Selous: I listened carefully, as always, to the Minister. I welcome the fact that the CSA's accounts have been laid before Parliament, but if they had come out on Friday we would have had a little more time to look through them.

I listened carefully to what the Minister said about new clause 3. May I reiterate what I said to the hon. Member for Angus (Mr. Weir) and others? I have no problem at all with authorities using the powers in the Bill, with the permission of the parents with care, to write off debt that is uncollectable and should probably never have been accumulated in the first place. That is common ground, but I remind the Minister that we have a long history of getting this wrong, and the failure to collect debt has undermined the CSA's work in the past, and will undermine CMEC's work in future. It will not help that fundamental change of culture that we want—the willingness to pay child support—which will be a key component of CMEC's success.

Turning to new clause 7, the CSA had a troubled history, and this is Parliament's third attempt to get that incredibly important area of law right. Hon. Members play an important role, and they should be forced to take an interest in what CMEC does. Many of us were not entirely happy with the decision to set up CMEC as a non-departmental body, and we failed to see why it should not become an executive agency of the Department for Work and Pensions. It is even more important, given that it is to become a non-departmental body, that Parliament should have the role of scrutinising its plans in future. Should the hon. Member for Rochdale (Paul Rowen) wish to press new clause 7 to a vote at the appropriate time we would support him, and I shall now press new clause 3 to a vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 184, Noes 262.

Division No. 15] **[5.19 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Clark, Greg
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Elwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, David

Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Nick Hurd and
Mr. John Baron

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Bails, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beil, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Lammy, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward

Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wyatt, Derek

Tellers for the Noes:
Mr. Sadiq Khan and Siobhain McDonagh

Question accordingly negatived.

New Clause 4

PLEURAL PLAQUES

'A claim for a payment under Part 4 may be made by—

(a) a person with asbestos-induced pleural plaques, or

(b) a dependent of a person who immediately before death was aware that they had asbestos-induced pleural plaques.'.—*[Mr. Clapham.]*

Brought up, and read the First time.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I beg to move, That the clause be read a Second time.

New clause 4 relates to part 4 and seeks to import into it payments for pleural plaques. On 17 October, a decision was made in the House of Lords that pleural plaques should no longer attract compensation. The judgment suggested that pleural plaques were symptomless —*[Interruption.]*

Mr. Deputy Speaker: Order. If hon. Members are not staying to take part in this debate or to listen to it, perhaps they would like to leave the Chamber quietly.

Mr. Clapham: The judgment argued that there should be no compensation for pleural plaques, a condition caused by exposure to asbestos. It occurs as the asbestos is passed through the lung to the back of the lung and the pleura that protect it, and it causes a hardening of those pleura. The judgment suggested that the condition was symptomless and therefore not compensatable. It went on to suggest that if a man suffers anxiety as a result of pleural plaques, it is caused not so much by the condition as by the fact that he has been told that he has it.

I find that judgment quite bizarre and quite appalling. It belittles claimants and it causes great anxiety for them, because they know that there is no chance whatsoever of redress. An amount of evidence is available to suggest that they are not as symptomless as the judges in that case thought. I accept that the five judges gave their judgment unanimously, which makes it a difficult one to overturn. As the Minister will be aware, we saw his hon. Friends at the Ministry of Justice, and there was some concern that we will not be able to overturn that judgment. The only means of seeking some redress now is to consider whether we might be able to include provision for payments to be made in Bill. I know that there are difficulties with that.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend received legal advice from two senior Ministers, who assured him and me that the Law Lords' outrageous decision was UK-wide and therefore could not be overturned. He may be aware that the Scottish Parliament is making an effort to have the decision overturned, and the best of luck to it; I hope that it manages to do so. It has the political will to do it, and if the same political will existed in this House, perhaps we could cover the rest of the UK and get compensation for those who thoroughly deserve it.

Mr. Clapham: I am grateful for that intervention. I know that my hon. Friend has dealt closely with this complaint because there are people in his constituency who suffer from pleural plaques. He has sought some form of statement that might help the House deal with the situation arising from the pleural plaque decision on 17 October.

Mr. Frank Field (Birkenhead) (Lab): My hon. Friend said that our hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) has constituents who might be affected. Is it not true that practically every Member in the House will have such constituents? If my hon. Friend wishes to use his new clause to probe the Government today, perhaps he might add that many of us want this place to rectify the position so that our constituents who are affected will get compensation.

Mr. Clapham: I have no doubt that the Minister heard what my right hon. Friend said, and will take his point on board.

We may need to discuss the matter with the Ministry of Justice to decide how to take things forward. If we were able to get the provisions in question into the Bill,

[Mr. Clapham]

we would have to look at how we might pay compensation to people with pleural plaques. It has to be recognised that the Bill deals with mesothelioma, and I accept that mesothelioma—cancer caused by asbestos—is much more unremitting and aggressive, and it is terminal. Pleural plaques are not in that category, but they do indicate that a person's situation may worsen. They could develop into asbestosis, which is fibrosis of the lung, or indeed into mesothelioma.

In preparation for this debate, along with my hon. Friend the Member for Paisley and Renfrewshire, North, I met a branch of the GMB union in London—the "London laggers". The two officials whom we met, Jim Parish, chairman of the laggers, and Tony Kent, their secretary, told us that they have kept a record of their members from 1989 to the present day. On average, there have been 12 diagnoses of pleural plaques each year since 1989. They say that a number of deaths have occurred as a result of mesothelioma cancer and other cancers, but they could not refer us to a record of those deaths, because many occur when the men have retired and lost contact with the union branch, so they are noted only when someone mentions that one of their colleagues has died or is being buried. There was no correct record of the number who had developed mesothelioma, but the officials were convinced that pleural plaques led directly to a worsening of the situation.

The Minister may be aware that some people say that pleural plaques are general throughout the population, but that is untrue. Others will say that pleural plaques are not altogether concerned with exposure to asbestos.

Mr. Jim McGovern (Dundee, West) (Lab): My hon. Friend is aware, of course, that pleural plaques can be detected only via an X-ray, but he is also aware that the condition constitutes an irreversible damage to the tissue of the lung. Does he agree that it is hard to believe that, if such damage were caused to visible tissues on any human being, compensation would be denied?

Mr. Clapham: I agree with my hon. Friend. If there is a physiological change, and the court judgment accepts that, in my estimation that amounts to a loss of faculty, which should be compensatable.

As I said earlier, people say that pleural plaques are widespread in the general population. Others say that they are not altogether related to exposure to asbestos. Hugh Robertson, the director of social insurance for the TUC, sent me a copy of an e-mail, which I shall read out to the Minister. It states:

"I have today spoken to both Professor Mark Britton, and Professor Tony Newman Taylor. They are probably the most pre-eminent chest physicians in the UK and world renowned experts on asbestos-related diseases. Both confirmed that Pleural Plaques were not prevalent in the general male population and were an indicator of asbestos exposure (either occupational or environmental).

Mark said that his estimate would be that around 3-4 per cent. of X-Rays might show Pleural Plaques, although in areas of high exposure, such as East London, the figures would be higher.

Tony confirmed the strong link between asbestos exposure and Pleural Plaques, although he indicated that it was impossible to say absolutely that asbestos was the only cause, although there is no evidence of any other cause. It is widely held that asbestos exposure is the cause of Pleural Plaques. I have never heard this doubted before, although there is speculation that smoking may make Plaques more likely."

That was the view of Professor Tony Newman Taylor who, at one point, was chair of the Industrial Injuries Advisory Council. The e-mail continues:

"You may be interested to know that about a third to one half of those occupationally exposed to asbestos will have calcified pleural plaques thirty years after first exposure. After twenty years, 5 to 15 per cent. will have uncalcified pleural plaques".

In other words, there is clear medical evidence that pleural plaques are the result of exposure to asbestos.

Anne Moffat (East Lothian) (Lab): Is my hon. Friend as astounded and disgusted as I am to hear that, during a meeting in this place about pleural plaque, a civil servant compared it with freckles? If people are dismissive and do not understand the issue and what it could lead to physiologically and mentally, we are in dire straits. Surely the new clause is the sort of proposal we should accept to help our people out.

5.45 pm

Mr. Clapham: There was exaggeration, but we now have evidence to show that such exaggeration is wrong and that pleural plaques generally result from exposure to asbestos rather than simply emerge among the general population.

Pleural plaques are clearly caused by asbestos, and the decision of the Law Lords is causing a great deal of concern. The Bill appeared to provide an avenue for introducing a payment for pleural plaques. As I said, the laggers that we met were clear that pleural plaques caused breathlessness. I received a letter from Mr. Terence Hook, who lives in Sheffield and has just been diagnosed with pleural plaques. He makes it clear that he suffers from breathlessness, which he attributes to pleural plaques. There is much anecdotal evidence of people with pleural plaques suffering from breathlessness.

The decision, to which my hon. Friend the Member for Paisley and Renfrewshire, North referred, of the Scottish Assembly—

Jim Sheridan: Scottish Parliament.

Mr. Clapham: The Scottish Parliament's decision to try to overturn the House of Lords decision is brave. As my hon. Friend said, we were told that the House of Lords decision was one of rigour and would apply in Scotland in the same circumstances as it applied in England and Wales, and could not easily be overturned. If the Scottish Parliament moves to overturn the decision—all power to its elbow—we need to consider seriously how we proceed. I hope that, if the Minister cannot accept the new clause—I appreciate that there are problems with it, and we may need to take up the matter with the Ministry of Justice—he will refer his colleagues in the Ministry to the fact that overturning the decision is being considered in Scotland.

John Battle (Leeds, West) (Lab): We are all grateful to my hon. Friend for raising the matter in the way in which he has done. Those of us who have fought for victims of asbestos for 20 years or more are regularly defeated in the courts, not by companies that refuse to pay out but by insurance companies, which fight tooth

and nail to avoid paying out. In the course of 20 or more years, our constituents die and their families get nothing, so we must look to the Government to bridge the gap while we try to find a long-term solution to what is medically proven to be a just and legitimate case.

Mr. Clapham: My right hon. Friend is correct. If we consider the number of cases that have come to court in the past few years, we can see that the insurance companies behave almost like jackals. They have gone to court again and again until they have got the decision that they wanted. That throws up another question. We are considering a working class disease; it is not a middle class disease. Is it appropriate for middle class judges to make decisions about a disease that affects the working class? It is clear that those taking the decisions have been rather indifferent to the way in which people explain their suffering. When we met the London laggers, we were told that they gave the House of Lords all their evidence from the records that they had kept on the development of pleural plaques among their members. However, the House of Lords came forth with its decision that pleural plaques is a symptomless condition.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): Is my hon. Friend aware of the recent case of Bernie Banton in Australia and the sad circumstances surrounding it, with only eight of the 135 employees working in the James Hardie factory still alive, because of the terrible nature of asbestosis and mesothelioma? Is my hon. Friend also aware that Bernie Banton acted as a witness during the recent election campaign and that the court went to his bedside as he was dying, in order to ensure that there was a double payout and a precedent established for treating mesothelioma in Australia through the courts? He did that with the critical support of the incoming Labour Government there, who will now be duty bound to ensure that victims, in that jurisdiction at least, will receive the compensation that they need and deserve.

Mr. Clapham: Part 4 is welcome, because it will make payments to mesothelioma sufferers available within six weeks of a diagnosis. I note what my hon. Friend says and I am aware of some of the progress being made in Australia, but the Bill is also a progressive measure, in making payments available quickly to mesothelioma sufferers.

In the light of the House of Lords judgment, will the Minister and the Department consider creating a register on which the names of each person who has been diagnosed and is in the queue behind that judgment are kept, as well as any future diagnoses of pleural plaques, rather than mesothelioma? We could keep on that register the names of the man or woman affected, the employer for whom they worked and the employer's liability insurers, so that should there be a worsening of the condition, we could easily get that information and pursue a claim. That would also benefit the Department, because where there is a successful civil claim, the payment that has been made under the Pneumoconiosis etc. (Workers' Compensation) Act 1979 will be recovered, as the Minister will be aware. Keeping the register in order to facilitate claims being pursued through a civil action would therefore also allow claims to be made for the recovery of payments made under the 1979 Act. Going down that avenue would be an improvement on the current position. In the meantime, we should consider whether we can move forward on the issue, particularly in the light of what might happen in Scotland.

Andrew Selous: I pay tribute to the hon. Member for Barnsley, West and Penistone (Mr. Clapham), who follows this issue assiduously—as he does all issues relating to health and safety—and has done for many years throughout his time in the House. A small number of my constituents with pleural plaques have written to me, so I am aware of the issue from a constituency point of view. I intend largely to quote the Court of Appeal and House of Lords judgments and what was said by some Scottish judges and, more importantly, to consider what the clinicians are saying about pleural plaques.

The House of Lords judgment of 17 October stated that it was not necessary to pay out for pleural plaques because they are symptomless, as the hon. Gentleman said, do not increase susceptibility or lead to other asbestos-related diseases, and do not impact on health, the ability to work and quality of life. That judgment was based on an earlier Court of Appeal judgment, which went to the House of Lords. Paragraph (d) of section 10 of that judgment said:

> "The presence of pleural plaques does not normally occasion any symptoms"—

a slight difference of wording. The judgment continued:

> "Very occasionally, in fewer than 1 per cent. of cases, the patient may be aware of an uncomfortable grating sensation on respiration".

I would separate sufferers of pleural plaques who experience an uncomfortable sensation when they breathe from other sufferers and believe that they should be eligible for compensation, albeit far less than what is provided for in part 4, which deals with mesothelioma, a wholly different condition, as was made clear earlier.

Mr. Clapham: I am grateful to the hon. Gentleman for giving way, because I had intended to say that the Bill allows for the Minister to bring forward regulations for different classes of case and, presumably, different classes of payment. Should we include provisions to provide compensation for pleural plaques, it would of course be much less than what is paid for mesothelioma under the 1979 Act.

Andrew Selous: As I have said, I would be happy for some compensation to be paid in what I am told is the less than 1 per cent. of cases where there is an uncomfortable grating sensation on breathing.

Paragraph (h) of section 10 of the Court of Appeal judgment said:

> "Plaques do not in themselves threaten or lead to...other asbestos induced conditions nor...are they a necessary pre-condition for such; they do not increase the risk of lung cancer; they differ from diffuse pleural thickening; and their pathology is entirely distinct from that of mesothelioma. It is the exposure to asbestos that they evidence".

Meanwhile, in the case of Wright *v.* Stoddard earlier this year, Lord Uist said:

> "It is not that pleural plaques cause harm which is de minimis: it is that they cause no harm at all."

But enough of the lawyers—we have heard it said that pleural plaques is a working class disease, so what

[Andrew Selous]

do middle-class lawyers and insurers know about it? I want to deal with the remarks of the clinicians—not the insurance companies, but the doctors who have spent their lives trying to treat people with different forms of lung illness. Dr. John Moore-Gillon, the president of the British Lung Foundation, has said:

"Pleural plaques do not themselves 'turn malignant' and become a malignant mesothelioma. They do not in themselves cause asbestosis to develop, nor do pleural plaques increase the risk of lung cancer, and they are a different condition from diffuse pleural thickening."

Dr. Robin Rudd, a leading consultant, has said:

"Pleural plaques are not thought to lead directly to any of the other benign varieties of asbestos-induced pleural disease."

Dr. John Moore-Gillon has also said:

"This is, however, a different matter from saying that the pleural plaques in themselves give rise to an increased risk of other asbestos-related conditions. Pleural plaques do not themselves 'turn malignant' and become a malignant mesothelioma. They do not in themselves cause asbestosis to develop, nor do pleural plaques increase the risk of lung cancer, and they are a different condition from...pleural thickening."

Jim Sheridan *rose—*

Mr. Deputy Speaker: I call Jim Knight.

Jim Sheridan: Perish the thought.

I wish to raise a point about the statistics. I understand what the hon. Member for South-West Bedfordshire (Andrew Selous) means in saying that clinicians and doctors do not believe that pleural plaques in themselves lead to cancer or mesothelioma, but can he provide the House with any statistics showing that people diagnosed with pleural plaques go on to develop full-blown mesothelioma as in the cases referred to earlier?

6 pm

Andrew Selous: I have to tell the hon. Gentleman that I have no such statistics, but I think that they would be very useful. I have heard nothing in the debate so far that has shone any light on that area, although the hon. Member for Barnsley, West and Penistone has anecdotal evidence. I agree that it would be useful if anyone were prepared to collect such data. If it could be verified, it would make an important contribution to the whole debate.

Let me continue with the remarks of Dr. John Moore-Gillon, who went on to say:

"My view on this issue represents what I believe to be the mainstream of opinion, and I do not know of any real dissent from this view amongst informed individuals in the asbestos field."

He makes reference to various standard texts on the subject, one of which is "Occupational Lung Disorders", edited by W. R. Parkes, published by Butterworth-Hienemann, in which it is stated:

"Plaques themselves have no effect on life expectancy, and are not known to give rise to any complications".

I have quoted lawyers and clinicians, but I personally place more weight on what clinicians—people who have dedicated their lives to relieving suffering in this area—have to say. I welcome the suggestion that we should collect more data to ascertain what happens over time to people who have plaques. I quite accept the worry and concern caused and I also accept that we should all be able to go to work and come away at the end of the day or at the end of our working lives without being impaired in any way. I well understand where hon. Members, particularly Labour Members, are coming from on this matter, but we must proceed according to the clinical evidence. Where that clinical evidence exists, I for one would be very happy to press the Government for compensation.

Jim Sheridan: I intend to make only a brief contribution, as my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) has covered most of the main points. It has to be said, however, that this is a very emotive subject, particularly in the place where I come from—the shipyards on the Clyde. When I worked there, I could see asbestos dust in the air and I remember the foreman telling me not to worry as it would not affect us and we would be okay. I am not suggesting for a moment that the foremen were to blame, as they were doing what they were told in telling people to work under those conditions. I do blame the companies who produced this stuff and asked people to work with it. It is indeed a very emotive subject.

I can understand where the hon. Member for South-West Bedfordshire (Andrew Selous) is coming from in that we do not have the statistics we need. However, I can provide some practical stats relating to the friends, the families and the colleagues I worked beside. When they are told that they have pleural plaques, many know exactly what the next step will be. They do not need a clinician to tell them that they are safe. They know exactly what the ultimate decision will be. I, for one, have attended too many funerals of people who were told that they had pleural plaques, only to acquire full-blown mesothelioma. I am not talking only about people in the shipyards of the Clyde, as it applies to people in shipyards throughout the whole UK, including Merseyside and elsewhere.

I can provide the practical evidence, as I said, but I disagree with the Law Lords when they decided that those who polluted with asbestos—namely, the companies— were not responsible for people developing either pleural plaques or full-blown mesothelioma. Who was responsible then? It was the irresponsible doctors who told the sufferers that they had the disease; it was their fault for telling people that they had pleural plaques, as that is what caused their anxiety. How ridiculous is that—blaming the doctors for telling people that they are unwell? That is absolutely incredible. Certainly the people I represent, my friends and my family find it incredible: they simply cannot understand it.

When farmers and their cattle are affected by foot and mouth or bluetongue, hon. Members fall over themselves in the House to provide compensation to farmers for their dead animals. Yet when human beings contract this killing disease, the same attention is not given to them. That is my point to the Minister. People—not many in the Chamber, but our people—are watching the debate. The Government may be going through a difficult period now, but this is the sort of issue that our people want our Government to sort out. They want compensation for being exposed to the damage that others have not been subjected to. I would dearly love to spread some asbestos dust on the porridge of the Law Lords, so that they can gain an understanding of what exactly this disease does to people.

I am sorry if I sound emotive, but I am angry at the Law Lords for taking this decision and I am even angrier that my Government—my Labour Government—are not taking the steps that I believe they should to overturn it. I return to what I said earlier about the SNP Administration in Scotland. I wish them every success in bringing forward this legislation. I am sure that the victims and their families will wish them well.

My only concern relates to the advice given by the two Ministers in the Ministry of Justice. If they are right and the Law Lords' decision applies throughout the UK, I sincerely hope that people are not playing politics with this. If they can overturn it—on behalf of friends and families of the victims, I sincerely hope that they can—I would hope that my hon. Friend the Under-Secretary could make some sort of compromise in the Bill to ensure that if it is successful in Scotland, it should be successful in the rest of the UK. This is still a disease irrespective of whether people live in Newcastle, Glasgow, Cardiff or Belfast; it does not matter, it is a disease that kills people. I sincerely hope that the Minister takes on board exactly what has been said today and particularly the strength of feeling expressed on the Labour Benches about how this disease can affect people. I sincerely hope for that compromise whereby the rest of the UK can benefit from any compensation agreed by the Scottish Parliament.

Paul Rowen: I am pleased to support the new clause proposed by the hon. Member for Barnsley, West and Penistone (Mr. Clapham). In the short time that I have been a Member in the House—he has been here a lot longer—I have noted his very honourable record in taking up issues surrounding asbestosis and industrial disease. Unlike the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan), I actually believe that the Government have in the past and up to now been very good at listening to the concerns of people who have asbestos-related diseases.

I represent Rochdale, which was the home of the world's largest asbestos factory. Literally hundreds of people in my constituency worked at TBA—Turner Brothers Asbestos—and had pleural plaques. Many of them went on to die of asbestos disease or mesothelioma. I know that last year, when the Law Lords overturned the compensation payments for mesothelioma, the Government listened to concerns. What we have in front of us in part 4 is a system of speedy payments that ensure that victims of mesothelioma get adequate recompense. That has done an awful lot to restore people's confidence—certainly that of people in my constituency—that the Government listen.

The issue of pleural plaques is slightly different and I understand why the hon. Member for Barnsley, West and Penistone has drafted the new clause. It has not been mentioned so far in the debate, but the fact remains that people have been receiving compensation payments for pleural plaques for more than 20 years. It has not suddenly started happening: small amounts of compensation, not huge sums of money, have been paid regularly for the last 20 or so years.

That is why it is wholly wrong of the Law Lords to take this decision. It is clearly indicative of the way in which the insurance industry is seeking to minimise its risks by stopping people who have industrial-related diseases from making claims. That cannot be denied. As the hon. Gentleman said, there is no way that people can get pleural plaques other than through exposure to asbestos. It is therefore an industrial-related disease. It does not qualify for compensation under the current arrangements, but in the past, under civil arrangements, it has qualified for small payments.

When the Bill goes to the other place, this should be considered further. We are not asking for huge sums, or indeed for any action that has not been taken before. All we are seeking to do is overturn a wrong judgment by the Law Lords, which has already been done in the case of mesothelioma. People have received payments for more than 20 years, but the Law Lords' decision will end such payments. I hope that even if the Minister cannot accept new clause 4, he will discuss the issue further with Justice Ministers, and perhaps when the Bill reaches the other place we can have a speedy response, as we did last year in relation to the mesothelioma compensation scheme.

As I have said, literally hundreds of people in my constituency have pleural plaques. Before the judgment I was helping two of them to process their claim, and obviously they are now extremely upset and disappointed that it cannot proceed. I look to the Minister and the Government to rectify the injustice. This is a disease that affects working people, and it is clearly wrong for lawyers and the insurance industry to try to deny people their entitlement.

Mr. Kilfoyle: I support the new clause tabled by my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), and echo what has been said about his great work in this regard. I also share the outrage and concern expressed by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) and the hon. Member for Rochdale (Paul Rowen) about the Law Lords' judgment.

One of my brothers developed pleural plaques, and eventually died of mesothelioma. I remember full well trying, before and after his death, to persuade the authorities to take seriously the situation in which he had found himself, and in which his widow found herself. Happily it was resolved in the end, but not before we had gone through all the legal hoops that could possibly be put in the way of a just and fair settlement. There is, however, no just and fair settlement for someone who dies in such an horrific way as someone who dies from mesothelioma. One must see it or experience it to understand just what kind of death it really is.

Let me issue a cri de coeur to the Minister. I entirely agree with what was said earlier by my hon. Friend the Member for Paisley and Renfrewshire, North. People out there do not see this in quite the legalistic way in which it may be seen by some in this House and the other place, and by the Law Lords; they see it as a matter of simple justice and humanity. I sincerely hope that somewhere in the framework of the Bill the Minister will find a way of assuaging the doubts of so many people about the Government's good intentions.

Mr. Weir: I, too, congratulate the hon. Member for Barnsley, West and Penistone (Mr. Clapham). He could not get the name of the Scottish Parliament right, but I will forgive him for that.

This is a serious matter. The judgment of the Law Lords overturned a situation that had existed for at

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least 20 years in which pleural plaques were recognised as a compensatable condition. Although pleural plaques do not necessarily lead to mesothelioma, they show that someone has been exposed to asbestos and may well develop a more serious condition. It is serious enough for people to know of their exposure to asbestos, and of what may happen thereafter. The current position reflects the long struggle of people suffering from asbestosis to obtain compensation, and the way in which some companies have tried to get out of paying it. I think that that is a disgrace.

The hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) mentioned the Scottish Parliament and the fact that this was a United Kingdom-wide decision. It is a United Kingdom-wide decision because the ultimate court of appeal in civil cases from Scotland is the House of Lords, and the lower courts in Scotland are bound by the decisions of the House of Lords. This problem can be dealt with only if the law is changed, and that is what the Scottish Parliament intends to do. On 29 November the Scottish Cabinet Secretary for Justice, Kenny MacAskill, said:

"Following careful consideration of the 17 October 2007 House of Lords Judgment on pleural plaques and having listened to the views of representatives of asbestos campaign groups and of the insurance industry, the Scottish Government has decided to introduce a Bill to reverse the Judgment so that those negligently exposed to asbestos who have been diagnosed with pleural plaques will continue to be able to raise and pursue actions for damages in Scotland. We will prepare a Bill which would take effect from the date of the Judgment."

That means that the legislation will be retrospective, becoming effective from the date on which the House of Lords ca'd the feet from under those who were bringing their cases. I understand that it is possible for a Bill to be introduced in the Scottish Parliament because civil law and the law on damages are devolved.

6.15 pm

The hon. Member for Rochdale (Paul Rowen) made an important point. We should bear it in mind that when we speak of compensation for pleural plaques, we are speaking of relatively small sums. Most of those who received compensation received very modest amounts, not in the range of the amounts received by people suffering from mesothelioma. We are not talking about vast sums. We are talking about justice: justice for people who have been exposed to asbestos in the past through no fault of their own.

Jim Sheridan: The hon. Gentleman is right. The sums awarded in compensation for pleural plaques are minimal; we are talking about the principle.

There is, however, a more important point. When people are paid compensation their records are kept on file, but that register no longer exists. The people who worked in the industry concerned had worked, and contracted the disease, all over the United Kingdom and indeed abroad. Without the register specifying exactly who they worked for and when, the situation becomes extremely difficult, because people who are diagnosed must trace their records way back. As some of them do not have much time to live, it is important that the information is available when they are diagnosed.

Mr. Weir: The hon. Gentleman is right. In the case of asbestosis, it has always been a problem to establish which of various employers is responsible; hence, perhaps, part 4 of the Bill, and a compensation scheme which I think every Member supports.

As I have said, this is a matter of justice. People have been exposed to asbestos, either through their work or because they were married to someone who worked in a shipyard or lived in an area where asbestos was used. If the hon. Member for Barnsley, West and Penistone presses the new clause to a vote we will certainly support him. The Scottish Parliament is taking action. If the new clause is passed, people will have a way of obtaining compensation quickly. As the hon. Gentleman said, it will be recoverable in the event of a subsequent action. But I suspect that the real answer is for the Government to change the law in England and Wales, just as the SNP Government intend to do in Scotland, and that is a matter that the hon. Gentleman may wish to pursue with the Minister.

Mr. Plaskitt: I pay tribute to my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), whose assiduous campaigning over many years on the issue of asbestosis and associated diseases has played a large part in the measures that we are considering. That is a tribute to his campaigning, and that of many other Members, on what is of course an extremely important issue. I also thank my hon. Friend for his contributions in Committee.

I entirely understand the strength of feeling that was evident in the speeches of my hon. Friends the Members for Paisley and Renfrewshire, North (Jim Sheridan) and for Liverpool, Walton (Mr. Kilfoyle). For Members representing areas where many people were employed for a long time in industries that led to asbestos exposure, the effect has been devastating. They are absolutely right to pursue the matter and raise it in the House now and on other occasions. It is a crucial issue for many of their constituents and their families, and I also understand the continuing concern and worry that surround it.

Like the hon. Member for South-West Bedfordshire (Andrew Selous), I have constituents with pleural plaques, although there are not many asbestos-based industries in my constituency. I have therefore encountered the same issues. I therefore understand the concern, as put to me by them as well as by parliamentary colleagues speaking for many more affected constituents.

It should be said that my hon. Friend the Member for Barnsley, West and Penistone has this opportunity to introduce his new clause precisely because we are at last legislating to bring about speedy and significant compensation payments for mesothelioma victims, and he and other Members have rightly acknowledged that that is an important step forward. I understand, however, why he wants to raise the issue of pleural plaques.

Many Members are concerned about the recent decision in the House of Lords case of Rothwell *v.* Chemical and Insulating Company Ltd and conjoined cases on the civil law in relation to pleural plaques. The House of Lords thoroughly considered the issue on the basis of all the evidence put before it and reached a unanimous decision that pleural plaques do not constitute actionable or compensatable damage. That decision confirms that if a person with pleural plaques goes on to develop any recognised disease in the future they

would have a claim in relation to the disease, because pleural plaques are in that sense an indicator of what can happen—as, sadly, we know—but does not in all cases inevitably happen.

The House of Lords decision is based on two fundamental principles of the law of negligence: first, that compensation in relation to negligence can be payable only where there is actual damage, and secondly that compensation is not payable simply for the risk or worry that something might happen in the future. Overturning those fundamental principles for pleural plaques would create uncertainty in the law and could lead to compensation claims being made much more widely for the risk of an illness occurring or for worry that something might happen—for example, from the effects of passive smoking in the workplace. That would considerably increase the level of litigation and the possibility of weak or spurious claims, and could have damaging effects on both business and the economy.

Paul Rowen: I understand what the Minister is saying, but does he not accept that these payments have been made for more than 20 years and that, therefore, there is custom and practice? They have not led to compensation payments in other areas. This has been accepted as something that has happened as a result of exposure to asbestos and nothing else.

Mr. Plaskitt: I understand the hon. Gentleman's point that there has been a long history of such payments being made, but he will know that the recent case came before the court because people brought an action to question whether that should be the situation. He will also know that the payments made over those 20 years were based on previous decisions of the court which have, of course, now been overturned. That is why Members are raising this issue. I hope I have set out the context in which our discussion arises.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): In Crewe, we have a whole generation—two or three generations, in fact—who after the war spent a great deal of time stripping down engines that had all been filled with asbestos, and I am sorry to say that I have lost a whole group of men in the 50s and 60s age group. For those coming up behind who have this dire prospect in front of them it is very worrying not to know whether they will be able to get compensation, because once those works began to be cut down many of them moved into completely different engineering fields.

Mr. Plaskitt: I am grateful to my hon. Friend for her comments and, again, I completely understand the point being made. In her town of Crewe, as in other places mentioned by other hon. Friends, there have been specific concentrations of industries that, unfortunately, have given rise to a good deal of exposure to asbestos. Many of my hon. Friend's constituents will have developed the more serious diseases as a result of that and, sadly, will have died. She rightly points out that this issue also still remains relevant because of the development time implied for some of the diseases. She will have constituents who are found to have pleural plaques and many of them will know that, sadly, that is a precursor of something far more serious—and, perhaps, ultimately fatal, as is the case with mesothelioma. Therefore, of course they will have concerns about this issue. They will need to know that it is understood and that there are steps that the Government can take to keep the issue that she and other hon. Friends raise under review. I will come on to what those issues are in a moment.

Jim Sheridan: I wonder whether my hon. Friend will make any comment during his contribution about the smart-suited lawyers, the insurance companies or, indeed, the medical profession. It is difficult to get involved in this debate without remembering what happened recently in Scotland, where the law was that when a person died their claim died with them. The trade union movement in Scotland fought hard to get that overturned. It was overturned because when cases came for trial or up for compensation the insurance companies brought in a doctor to look at the victim and make a rough guess as to how long they had to live, and if they had only months or weeks to live they would find a technicality to get that case cancelled in the hope that the person would die and the claim for his family would die with him.

Mr. Plaskitt: I understand my hon. Friend's concern about that, and there are undoubtedly questions for insurance companies to answer. He will know, of course, that the circumstances that gave rise to the recent case in the courts were initiated by the insurance companies, perhaps because they had concerns about the levels of claims being made.

In these cases, it is important that all the evidence is put forward. No one would want to rely entirely on what insurance companies felt about such situations, as they clearly have a vested interest in pursuing one particular line of argument—we all understand that. When the courts—or anyone else—look at this, comprehensive evidence is crucial; that must also come from medics who are independent and do not take a view perpetuated by an insurance company, from other independent experts, and from those who can speak on behalf of the victims themselves and their families. The issue must be addressed in the round. My hon. Friend is right that it must not be considered solely from the point of view of what insurance companies might feel is in their interests.

Andrew Selous: A point has been made about the need to collect proper information in respect of people with pleural plaques, to see whether they do indeed develop into other conditions. Will the Minister address that, as I was concerned to hear that that information might not have been recorded when people were told they were not eligible for compensation? It would be a great pity to lose that source of information, which could give us the data the Minister has just referred to.

Mr. Plaskitt: That is an important point, and I am grateful to the hon. Gentleman for raising it. I think that information might currently be held on that but in a non-systematic way—and I think that that is the issue. That is partly why there is the degree of debate that there is within the medical profession and elsewhere as to whether or not pleural plaques do inevitably lead to worse diseases—or, indeed, whether pleural plaques are entirely and uniquely caused by exposure to asbestos, as there is even some argument about that within the medical science community. Information is crucial, and

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whereas at present it is not systematically gathered there might be a case for its being so. I will say more about that in a moment.

6.30 pm

As has become evident as the debate on these measures has progressed, the Scottish Executive have indicated their intention to overturn the House of Lords judgment via legislation, so that people who have been diagnosed with pleural plaques will be able to raise and pursue actions for damages in Scotland. Of course, the civil legal systems in Scotland and in England and Wales are completely separate, and the question whether to legislate in Scotland is a matter for the Scottish Parliament.

I know that the Government's decision not to intervene in the way sought by my hon. Friend the Member for Barnsley, West and Penistone is disappointing for some hon. Members who feel, as they have said, that pleural plaques should be compensatable. I reassure them that the Government are fully committed to supporting sufferers of mesothelioma and other asbestos-related diseases.

Mr. Clapham: Does the Minister feel that there will be a chance to meet the Secretary of State for Justice to try to find a way through this, particularly if the Scottish Parliament decides that it will overturn the Law Lords' decision? The Minister will know that there is a widening disparity between England and Wales and Scotland on a number of issues relating to this field, such as civil damages. Indeed, a briefing that I received from Thompsons solicitors suggests that civil damages settlements in Scotland and England for mesothelioma alone can differ by £30,000. We must deal with the widening disparity in civil damages and seek to secure equality before the law. If pleural plaques were again to become an issue that someone in Scotland could take to court for compensation while such an approach is restricted in England, we would prevent movement to equality. Does the Minister feel that we will be able to take this matter up with the Ministry of Justice?

Mr. Plaskitt: I entirely understand the point that my hon. Friend is making, and I encourage him to maintain a dialogue with colleagues in the Ministry of Justice. He rightly says that any circumstances that give rise to disparities in claims are a cause for concern. I understand his fair point about at least having a degree of equality in the treatment of this matter. He will understand that any suggestion to review civil law in England and Wales in the light of a possible change in the law in Scotland is a matter for the Ministry of Justice, and is beyond the scope of this new clause.

Mr. Kilfoyle: Following on from the situation described by my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), if there is such a change in the law in Scotland, would it not be absurd to have a situation in the UK where different conditions applied to an English resident with pleural plaques who was working for a Scottish firm and a Scottish resident with pleural plaques who was working for an English firm? Is it not incumbent on the Government to do something to regularise the situation, regardless of what the Scots do—or rather, to cater for what they do?

Mr. Plaskitt: Let me try to reassure my hon. Friend. It is incumbent on us to keep the relevant aspects of this situation under review. I do not want to prejudge or anticipate issues that the Scottish Parliament might encounter as it examines this proposed legislation and its potential consequences. As I have said, the issues of how government can deal with such cases and the need for consistency must be addressed.

In addition to the provisions in this Bill, we introduced provisions in the Compensation Act 2006 to provide that, where a person has contracted mesothelioma after there has been wrongful exposure to asbestos at different times by more than one person, negligent persons are jointly and severally liable. That enables a claimant to recover full compensation from any relevant person rather than having to trace them all and recover compensation on a piecemeal basis.

We are also taking steps to improve the claims handling process. For example, the Civil Procedure Rule Committee is currently considering a new practice direction to ensure that a uniform fast-track scheme for mesothelioma cases based on the one that has been working well in the royal courts of justice is applied consistently in all courts around the country.

I also know that my hon. Friend the Member for Barnsley, West and Penistone has discussed with the Under-Secretary of State for Justice, my hon. Friend the Member for Lewisham, East (Bridget Prentice), and Lord McKenzie of Luton, from my Department, the possibility of a register for those diagnosed with pleural plaques to include details of employment and the employers' insurers.

Anne Moffat: The Minister is talking about what is incumbent on the Government. They should have a register so that anyone employed in this area who subsequently develops pleural plaques, and perhaps asbestosis, is registered. Who does he think should pay for such a register? Should the Government pay for its administration or—as I believe—should the insurers pay?

Mr. Plaskitt: I am grateful to my hon. Friend for raising those points; I shall say more about the register in a moment, and pick them up then.

Mrs. Dunwoody: I cited the case of people who were young apprentices at the time and who now find themselves struck with this terrible disease. There is a genuine problem in this regard, because the rail companies involved no longer exist. A national register is the very least that there should be.

Mr. Plaskitt: I am grateful to my hon. Friend for underlining the point made by my hon. Friend the Member for East Lothian (Anne Moffat).

Mr. Clapham: Does the Minister feel that rather than start structuring a register from the beginning, it would be worth communicating with some of the members of the Association of Personal Injury Lawyers, who already have registers? For example, Thompsons solicitors keep

a register of people with pleural plaques who have contacted them so a database may exist that the Minister could bring together.

Linking that to the point made by my hon. Friend the Member for East Lothian (Anne Moffat) abut the insurance companies, does the Minister feel that discussions should be opened up with them—after all, they are the polluter? We are talking about pleural plaques that have been caused because asbestos has invaded people's bodies, so according to the "polluter pays" principle, the insurance company should put the money forward for any scheme related to a register.

I use the term "scheme related to a register" because, as the Minister will know, people who suffer from pleural plaques come forward for their X-rays because this is linked to common-law damages, but as the common-law damages issue has been removed, there is a need for another incentive. To incentivise people to come forward to put their names on the register, there needs to be a scheme—if that is at all possible—and that should be provided by the insurance companies. Does the Minister feel that they can be encouraged to come on board?

Mr. Plaskitt: I am able to confirm that the Government will explore, with key stakeholders, the idea of a register of the sort that my hon. Friends suggest would be viable and provide practical benefits. I am happy to make that commitment to my hon. Friends. They have focused on the steps that we now have to take, having given a commitment to have the appropriate discussions with all potential stakeholders in this area, and to see how we can proceed with the helpful suggestion of a register.

My hon. Friend the Member for Barnsley, West and Penistone is right to say that some of the data that we would need to assemble for the register will already exist. We may not need to start from scratch, and we could include in the register people already known to be in that situation, such as those mentioned by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody). As we make progress with the commitment that I have given, we will have discussions with organisations, such as the Association of Personal Injury Lawyers, that may already be in possession of some of the data.

My hon. Friend the Member for Barnsley, West and Penistone makes an interesting point about the position of the lawyers, and my hon. Friend the Member for East Lothian asked how we can pay for a register, if that is the way forward. As we have our discussions, we will want to meet the representatives of the insurance industry, and we will discuss what contribution they can make to establishing a register. That will be an important dialogue, especially given the many comments made in this debate about the contribution of the insurance industry to this issue and the role that it could play in helping us to work out a solution.

Many Labour Members want us to keep the matter under review, and in doing so, it is reasonable to point out the role of the Industrial Injuries Advisory Council, which monitors and recommends changes in connection with the diseases for which industrial injuries disablement benefit can be paid. That can include consideration of the same lung diseases as are covered by the 1979 Act. If appropriate, the 1979 Act will be changed to reflect new scientific opinion, as expressed to the IIAC. Hon. Members who, for understandable reasons, concentrate on this issue may be aware that back in July 2005, the IIAC published its report on its review of asbestos-related disease. In that report, the council recognised that symptomatic pleural plaques can occur, and that is an important finding, because there is some argument on that point. For the Government, it is important to have advice from an authoritative body that studies all the scientific evidence. We have to depend on the view that the council puts to us, and that is why it is important.

6.45 pm

Mr. Clapham: The IIAC is especially important. As my hon. Friend knows, it has suggested that pleural plaques can be symptomatic, and that could give rise to a claim for industrial injuries disablement benefit. However, claiming that benefit is not an easy task. For example, over the past five years, the Health and Safety Commission has reported that more than 2.2 million people a year suffer workplace-related illness. Last year, the number of industrial injuries disablement benefit awards was some 6,300. Therefore, the fact that pleural plaques can be symptomatic does not mean that the sufferers will receive industrial injuries disablement benefit. In the case of mesothelioma, we ended up with dual diagnosis, and we may need to reconsider the issue of pleural plaques that cause people to exhibit symptoms and how we could make it easier for them to claim industrial injuries disablement benefit.

Mr. Plaskitt: My hon. Friend is right that we see very many potential cases, although it can be difficult to obtain industrial injuries disablement benefit. The point is that we need to rely substantially on what the IIAC tells us. I am sure that my hon. Friend welcomes its report in July 2005, which recognised that symptomatic pleural plaques can occur, which is a change to previous opinion. However, the report also stated that there was a lack of evidence that pleural plaques caused impairment of lung function sufficient to cause disability. I can reassure him that the council continues to monitor all the research on pleural plaques and it will keep the issue under review. Were it to conclude differently at some point in the future in the light of further medical evidence, it would no doubt say something different to us. I hope that my hon. Friend is reassured by the knowledge that the issue is subject to regular review.

Jim Sheridan: If, as forecast, Scotland legislates to reverse the decision, can my hon. Friend tell me what would happen if someone were working for a publicly funded UK organisation—as, say, an apprentice in the Ministry of Defence—and contracted pleural plaques? In which court could they claim compensation? Would it not be ridiculous if someone working in Glasgow could be compensated, but someone who worked in London could not?

Mr. Plaskitt: My hon. Friend raises an important point that serves to underline the complexity of this issue. I hope that he will understand why we are trying to proceed cautiously. We want to consider the ruling of the court and we need to see what happens as the issue is debated in the Scottish Parliament. I do not wish to presume the outcome of that debate. I hope that he and my hon. Friend the Member for Barnsley,

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West and Penistone will accept that our commitment to look seriously into the option for a register is a step forward along the lines they advocate.

The new clause relates to payments under the new mesothelioma scheme. The payments that we are making under the new scheme are for people who have developed mesothelioma as a result of exposure to asbestos, who often have a short life expectancy, and who experience complex, debilitating symptoms, as my hon. Friend mentioned. Mesothelioma can, therefore, be distinguished from the other conditions that we have been discussing.

The cost of the changes that we are bringing in will be met by the introduction of a compensation recovery process, so that all 1979 Act and new mesothelioma scheme payments will be recovered if a civil compensation claim is subsequently successful. Moneys recovered will then be recycled into the new mesothelioma scheme to make future payments. In that respect, the scheme is self-funding.

Mr. Clapham: As the Minister is aware, the compensation recovery unit did not recover compensation from the claimant. If the claimant made a civil claim, there was a windfall for the insurance company. The Bill would introduce a creative avenue, whereby we could recover a payment made under the 1979 Act, which would then go into the fund to meet further claims. That in itself is a step forward. If we were to introduce payments for pleural plaques, and there were to be a successful civil claim at some time in the future, one would expect the same recovery mechanism to apply to those payments.

Mr. Plaskitt: I understand my hon. Friend's point, and I am glad that he acknowledges our innovative funding of the scheme. If there are developments in the future, we shall have to examine how the schemes are funded, but at least a mechanism has been established for the new scheme, which will deliver prompt payments for mesothelioma sufferers.

As my hon. Friend knows, the amount of funding available from introducing compensation recovery is only just sufficient to fund the planned extension of the scheme to all mesothelioma sufferers. Trying to include other diseases in the scheme would greatly increase the administrative work and cost, and undermine the scheme's aim of providing mesothelioma patients with compensation as soon as possible. In addition, if such changes were made, the scheme would no longer be self-funding—and the self-funding element was something that my hon. Friend welcomed.

I hope that I have been able to give reassurances to Members who have raised extremely important points about pleural plaques and people who, sadly, suffer from them. I hope, too, that I have been able to explain the Government's position in respect of both the court decision and an issue that may be debated in the Scottish Parliament in the near future. Given those reassurances, I hope that my hon. Friend will agree to withdraw the new clause.

Mr. Clapham: I hear what my hon. Friend the Minister has said. He has noted the feelings expressed by Labour Members about the House of Lords decision about pleural plaques. I am reassured by what he said, so as I do not want the Bill to be put in jeopardy, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 5

RESPONSIBILITIES OF NON-RESIDENT PARENT

'In section 1 of the Child Support Act 1991 (c. 48) (the duty to maintain), for subsection (2) substitute—

"(2) For the purposes of this Act, a non-resident parent shall be taken to have met his responsibility to maintain any qualifying child of his—

(a) by paying a calculation in accordance with the provisions of this Act; or

(b) by making payments in accordance with an order set out in subsection (2A) in the circumstances set out in subsection (2B).

(2A) The order referred to in subsection (2)(b) shall be an order ("the Order") for periodical payments to the child made under section 23(1)(d) of the Matrimonial Causes Act 1973 (c. 18) or paragraph 1(2)(a) or (b) of Schedule 1 of the Children Act 1989 (c. 41).

(2B) The circumstances referred to in paragraph 2(b) are—

(a) that simultaneously with the Order the court makes an order under—

(i) section 23(1)(a),(b),(c), or section 24 of the Matrimonial Causes Act 1973, or

(ii) paragraph 1(2)(c),(d) or (e) of Schedule 1 of the Children Act 1989 (lump sum payments or transfer of property orders etc); or

(b) the order is a variation of an order originally made when one or more such orders were made.

(2C) Where the court makes an order of the type listed at subsection (2A) and the conditions of subsection (2B) are met, any calculation under this Act shall be discharged and, during the currency of the Order, the Secretary of State shall not exercise his powers to make a calculation under section 4 of this Act."'.—*[Andrew Selous.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 164, Noes 263.

Division No. 016] **[6.54 pm**

AYES

Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark Greg
Clarke, rh Mr. Kenneth
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark

Foster, Mr. Don
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, David
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
McLoughlin, rh Mr. Patrick
Milton, Anne
Mitchell, Mr. Andrew
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cunningham, Mr. Jim
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon

McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mark Tami and Tony Cunningham

Question accordingly negatived.

New Clause 7

Approval of Operational Plan

'(1) The Commission must—

(a) prepare an Operational Plan to establish how it will meet its objectives under section 2 of this Act and;

(b) publish the Plan in such manner as the Commission considers appropriate.

(2) The Secretary of State must lay before Parliament a copy of the Operational Plan published under this section.

(3) The Operational Plan shall not have effect unless, within three months of the date on which it is laid before Parliament, a motion has been made in each House considering the Plan.

(4) The Secretary of State may by regulations determine the categories of information to be included in the Operational Plan.

(5) Regulations made under subsection (4) may include details of staffing levels the Commission considers it appropriate to maintain in order for it to fulfil its functions.'.—*[Paul Rowen.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The House divided: Ayes 168, Noes 263.

Division No. 17] **[7.7 pm**

AYES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick

Milton, Anne
Mitchell, Mr. Andrew
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Willis, Mr. Phil
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Bob Russell and
Jenny Willott

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cunningham, Mr. Jim
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn

Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mark Tami and
Tony Cunningham

Question accordingly negatived.

Clause 6

FEES

Mr. Plaskitt: I beg to move amendment No. 2, page 3, line 6, leave out subsection (6) and insert—

'(6) Subsections (3) to (5), (7) and (8) of section 20 of the Child Support Act 1991 (c. 48) (appeals to appeal tribunals) apply to appeals under regulations under subsection (5) as they apply to appeals under that section.'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following: Government amendment No. 3.

Amendment No. 23, in clause 21, page 9, line 32, after 'current', insert 'or deposit'.

Amendment No. 24, page 10, line 10, after 'current', insert 'or deposit'.

Amendment No. 25, page 11, line 5, after 'current', insert 'or deposit'.

Government amendments Nos. 4, and 6 to 11.

Mr. Plaskitt: The group consists mainly of minor and technical Government amendments, but it also includes Opposition amendments to clause 21—"Current account deduction orders". I will begin by explaining why we have tabled the Government amendments, before moving on to the Opposition amendments.

Government amendments Nos. 2, 4 and 11 refer to regulation-making powers concerning appeals. The Government want to ensure consistency across child support legislation where there is a right of appeal to a tribunal. When we considered the appeal provisions in the Bill, it became clear that there were inconsistencies in how various regulation-making powers were expressed. That could have led to confusion about the division of responsibility between the Department for Work and Pensions and the Ministry of Justice. The logical way to clarify matters was to place any new provisions on appeals to appeal tribunals under those already in place in section 20 of the Child Support Act 1991. Amendment No. 2 does that. It is similar to a technical amendment to clause 23 that was agreed by the Committee on 11 October. Amendment No. 2 leads to two consequential amendments.

Government amendment No. 4 makes it clear that regulations providing for the charging of fees by the commission should be subject to the affirmative procedure, but not those concerning only the procedure and powers of an appeal tribunal considering an appeal. Government amendment No. 11 amends the Social Security Act 1998 to clarify the fact that the reference to fees in clause 6 refers specifically to the regulation-making powers in clause 6(5).

Government amendment No. 3 is the result of an amendment tabled in Committee before the summer recess by the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), who I am sorry to see is not present. Under that amendment, a copy of any directions or guidance that the Secretary of State issued to the commission would have had to be laid before Parliament. In Committee, I asked the hon. Gentleman to withdraw the amendment so that we could give full consideration to how powers of direction are used across Government, and to the appropriateness of laying the directions in question before Parliament.

In the case that we are considering, the Secretary of State's power of direction would be used only in the most exceptional and time-critical circumstances. The power has been provided because although the commission will be a non-departmental public body, ultimate accountability for its performance will remain with the Secretary of State. We had the chance to reflect on the extent of the power over the summer, and we concluded that when the Secretary of State gives a direction, it will be a rare but important step that warrants the direct attention of Parliament, which will provide the necessary and proper parliamentary scrutiny of the relationship between the Secretary of State and the commission.

Amendment No. 3 therefore requires the Secretary of State to lay before Parliament a copy of any directions given to the commission. The requirement is subject to two important exemptions: the first is for information that is commercially confidential, and the second is for information that may relate to specific individuals. The amendment highlights the importance that we attach to parliamentary scrutiny of the Secretary of State's relationship with the commission. It also shows that we welcome the contribution that the Committee made to the Bill, and that we are willing to act on appropriate suggestions.

On Government amendments Nos. 6 and 7, if the Child Maintenance and Enforcement Commission is to realise its objectives, it is imperative that it operates within robust and effective governance arrangements, following best practice wherever possible. In the two amendments, it is proposed that the Secretary of State, not the Comptroller and Auditor General, lays the commission's accounts before Parliament. That minor change to the Bill's accounts and audits provisions is in line with recent changes to Government policy, and is supported by the National Audit Office. I reassure hon. Members that altering the responsibility for who lays the accounts before Parliament does not change the

Comptroller and Auditor General's authority to audit the commission's accounts, so the change does not weaken parliamentary accountability in any way. The same accounts are being laid before Parliament; it is just a different person who lays them.

Government amendment No. 8 enables aliment orders in Scotland to be recognised, alongside other private maintenance arrangements. Paragraph 5 of schedule 4 proposes an adjustment to basic and reduced rate liabilities where a non-resident parent has an existing maintenance obligation for a child, but where that obligation is not part of the statutory scheme. The commission can recognise the maintenance arrangement as though it were part of the statutory scheme, with the result that all the children supported by the non-resident parent are treated equally. In such cases, the existing qualifying maintenance arrangement will be either a maintenance order or another form of agreement that confirms the non-resident parent's responsibility for a child.

The amendment seeks to put beyond doubt the fact that maintenance orders made in Scotland—the term "aliment" is used under Scottish law—are to be treated as qualifying maintenance arrangements. That will remove the risk of people misinterpreting and thinking that non-resident parents who support children under aliment might not benefit from those children being recognised under the statutory maintenance system.

Government amendment No. 9 ensures that the test for the granting of a warrant for commitment to prison in Scotland under section 40A of the Child Support Act 1991 is the same as that for granting a warrant for commitment to prison in England and Wales, and the same as that for making an order to disqualify the non-resident parent from driving under section 40B of the 1991 Act. We recognise the differences between the Scottish legal system and the system in England and Wales, but child maintenance cases should of course be dealt with in a consistent manner across Great Britain. The amendment will help to ensure that the different court jurisdictions reach decisions in the same way.

Government amendment No. 10 amends schedule 7 and provides a power, under the affirmative procedure, to change the £800 threshold for the second set of basic rate calculation percentages introduced in schedule 4. That schedule introduces changes to the basic maintenance calculation rate for the future scheme. It amends the existing set of percentages that apply to weekly income of between £200 and £800, and introduces a new set of percentages that apply to any weekly income in excess of £800, subject to a cap of £3,000. The rates were chosen to create approximate parity between liabilities under net and gross income, and the £800 threshold broadly corresponds to the amount of weekly income at which the 40 per cent. marginal income rate tax starts to apply.

We have said that we will review the rates of calculation during each Parliament, and we have retained the power to change them where necessary through regulations under the affirmative procedure. Amendment No. 10 would allow that same power to apply to the £800 threshold amount, thus ensuring consistency in the way in which maintenance calculation rates may be amended.

The Opposition amendments to clause 21 relate to current account deduction orders. I thank hon. Members for tabling the amendments, as it gives me the chance to update the House on the progress that we are making. The amendments would expand the breadth of deduction orders and allow for periodic deductions from deposits, as well as current accounts. Since we discussed the matter in Committee on 11 October, we have been considering just how far we should take both the periodic and the lump sum deduction orders. We have had further discussion inside and outside Government, particularly with financial institutions. I would like to take this opportunity to thank the representatives of the banks and building societies, who have been extremely constructive in all our discussions. It remains our intention to come back with proposals ensuring that deduction orders have sufficient scope to ensure that non-resident parents cannot easily avoid them. I trust that hon. Members will be content with my response at this stage, and I ask them not to press their amendments.

Andrew Selous: I am grateful to the Minister for his explanation of the Government amendments, all of which seem entirely sensible and which tidy up various aspects of the Bill. He spoke about the need for consistency in appeals, and about copies of directions being laid before Parliament. We are particularly keen to maximise parliamentary scrutiny in the Bill. I have no objection to accounts being laid before Parliament by the Secretary of State rather than the Comptroller and Auditor General; I am more concerned about receiving the accounts on time than about who puts them before the House.

The points about aliment in Scotland are entirely sensible, as is the test of consistency for a warrant of arrest to commit someone to prison in Scotland, so that it is the same for someone in England. We agree, too, with the change in percentages in Government amendment No. 10.

I am grateful for the Minister's assurance that he will return to the issue that the Opposition raised in Committee and today in amendments Nos. 23 to 25, which would ensure that deduction of earnings orders are imposed on deposit as well as current accounts. That is important, because the distinction between deposit and current accounts has become blurred, and in recent years, more accounts paying a competitive rate of interest allow a higher rate of transactional activity, so it would be possible for non-resident parents to try to avoid a deduction of earnings order by using only deposit accounts. Given his reassurance that he will look at the matter again, perhaps in another place, I am happy not to press any of our amendments to a vote.

7.30 pm

Paul Rowen: May I thank the Minister for Government amendment No. 3, which deals with parliamentary scrutiny—one of our main concerns in Committee? The laying of directions in Parliament gives hon. Members an opportunity to raise their concerns. The other Government amendments are sensible, and we are happy to support them.

Amendment agreed to.

Clause 10

DIRECTIONS AND GUIDANCE

Amendment made: No. 3, in page 5, line 14, at end insert—

'(5) The Secretary of State must lay before Parliament a copy of any direction given under subsection (1)(b).

(6) The Secretary of State may exclude from what is laid before Parliament—

(a) any information which the Secretary of State considers to be against the commercial interests of any person;

(b) any information which relates to an individual who can be identified from that information.'.—*[Mr. Plaskitt.]*

Clause 15

REPEAL OF SECTIONS 6 AND 46

Amendment proposed: No. 1, in page 7, line 26, at end add—

'(2) In section 4 of the Child Support Act 1991 (child support maintenance) for subsection (10) substitute—

"In the event that the parent with care and the non-resident parent have entered into a binding Minute of Agreement and—

(a) each party has received independent legal advice prior to signing the said Minute of Agreement;

(b) the agreement contains within it provisions for the maintenance of any children whether by regular payments, transfers of capital or a combination of the two;

(c) there is provision to reconsider any regular payments in the event of a material change of circumstances; and

(d) there is provision within the agreement for enforcement in the event that either party fails to adhere to the provisions of the agreement,

no application may be made to the commission with respect to a qualifying child or qualifying children specified in the agreement."'.—*[Mr. Weir.]*

estion put, That the amendment be made:—

The House divided: Ayes 148, Noes 257.

Division No. 18] **[7.32 pm**

AYES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Cash, Mr. William
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Featherstone, Lynne
Foster, Mr. Don
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gibb, Mr. Nick
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Keetch, Mr. Paul
Key, Robert
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Main, Anne
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Stewart Hosie and Bob Russell

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry

Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cunningham, Mr. Jim
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Lammy, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mark Tami and
Tony Cunningham

Question accordingly negatived.

Clause 41

LUMP SUM PAYMENTS

Mr. Clapham: I beg to move amendment No. 15 in page 36, line 24, at end insert—

'(1A) A dependant will receive the same payment as that payable to a person with diffuse mesothelioma.'.

Madam Deputy Speaker: With this it will be convenient to discuss amendment No. 16, page 40, line 36 in clause 49, after 'payment', insert 'for—

(i) earnings lost,
(ii) the cost of care incurred, or
(iii) loss of mobility
during the relevant period'.

Mr. Clapham: My hon. Friend the Minister will know that under the Pneumoconiosis etc. (Workers Compensation) Act 1979, there are two lists of payments. One refers to live claimants and the other to dependants. It is worth looking at the reasons that have been given historically for the considerable difference in payments to live claimants and to dependants.

When the issue was first raised, civil servants in the Department for Work and Pensions advised Ministers that the difference in payments had arisen because of the need to keep in step with the common law. That, however, proved not to be the case. In common law the payment made to a dependant is the same as would

[Mr. Clapham]

have been made to the live claimant. I am told that two other reasons were given. One was that the difference in payments was designed to keep in step with the miners pneumoconiosis scheme of 1974. Again, the miners scheme pays exactly the same to a dependant as to a live claimant. Finally, it was said that under the 1979 Act, dependants get an additional payment of £2,392 where the death is the result of mesothelioma, but that still leaves a wide difference.

I refer the Minister to the example of a person aged 60. Under the 1979 Act the live claimant would receive £31,903, whereas the dependency payment is just £9,295 plus £2,392, making a total of £11,687. That is a wide gap. I am aware that the payments in the first instance will be made from the fund. The fund will gradually increase to payments equal to those made under the 1979 Act.

Amendment No. 15 calls for precisely the same payments to be made, but perhaps the Minister would consider a graduated approach. There will be a graduated approach in any event as the fund grows, so that payments can be made that are equal to those under the 1979 Act. Perhaps we could extend the principle of graduated payments so that over a number of years payments to dependants would achieve equality with payments to live claimants.

On amendment No. 16, it has always been a principle that we protect the general damage element—the element that covers pain and suffering. Payments under the 1979 Act are not specified in terms of their heads of damages. Clause 49(3)(b) allows for the lump sum to be recovered to nil. As I said earlier, recovering that amount rather than leaving it as a windfall to the insurance company is a creative way forward that should be welcomed. I want to see the fund increase gradually so that the level of payment equals that provided by the 1979 scheme, but I also want to protect the general damage element.

Amendment No. 16 provides a way of doing that, which the Minister may be prepared to consider. It allows the lump sum to be referred to in terms of three categories—earnings lost, the cost of care incurred by the claimant, and loss of mobility during the relevant period—and to be reclaimed to nil. It therefore protects the element of general damages.

Let me read out what my right hon. and learned Friend the current Leader of the House said in 1997. At that time, the Conservative Government used the Social Security (Recovery of Benefits) Act 1997 to ring-fence general damages. Politicians of all parties supported that provision. Leading for the Opposition on Second Reading, my right hon. and learned Friend stated:

"any sum awarded in compensation for pain and suffering should rightly belong to the individual who has suffered and should not be clawed back by social security."—[*Official Report*, 25 February 1997; Vol. 291, c. 175.]

The principle was right and just then, and it remains so today. Mesothelioma in particular is an agonising and terminal disease, and if its victims lost out on their rightful amount of compensation for their pain and suffering, that would be a doubly cruel blow.

My right hon. and learned Friend made the point that we need to ring-fence the general damage element, and my amendment No. 16 would allow that to be done. It would allow the Government to claim back to nil, but as the sum would be referred to under certain heads of damages, the principle of ring-fencing general damages would remain sacrosanct. I hope that the Minister will take that on board. He may not like the drafting of the amendment and may want it to be redrafted. However, given that it maintains the principle of retaining general damages while allowing for the recovery to nil to take place, he might wish to think about taking it on board.

Mr. David Hamilton (Midlothian) (Lab): When we talk about people in such a position, there is a fundamental difference. For example, someone who wins a tribunal award—we have been involved in that—may have to repay the Department a certain amount. However, when a person is at the end of a period and terminally ill, it is surely completely wrong that money should be claimed back for the Department.

Mr. Clapham: My hon. Friend is right in the sense that we would seek to maintain that principle of keeping the general damage element. The Minister may want the amendment to be worded differently, but it retains that principle while allowing the recovery to nil.

Andrew Selous: I am grateful to the hon. Member for Barnsley, West and Penistone (Mr. Clapham) for explaining the purpose of his amendments. He said that he might want to see graduated payments in relation to amendment No. 15, rather than such payments being identical to those paid to people with mesothelioma. Amendment No. 16 relates, certainly in part, to a debate that we had in Committee.

The purpose of amendment No. 15 is to compensate a mesothelioma sufferer's dependant in the same way as the mesothelioma sufferer himself. I do not believe that the amendment is necessary because it would be highly unusual to compensate a dependant of someone with a disease exactly as if they themselves had the disease.

Mr. Clapham: The hon. Gentleman may be aware that in 1974 the scheme for miners was introduced; it was followed by the 1979 scheme for slate quarrymen. That was modelled on the earlier scheme, which pays precisely the same to a dependant as to a living claimant. As the two schemes have some similarity, I would have thought that there is an argument in favour of the scheme paying dependants the same.

Andrew Selous: I am grateful to the hon. Gentleman for that point of fact about that particular scheme. However, I believe that I am correct about the generality of compensation: it would be unusual to proceed as his amendment suggests. The Bill already provides state benefits to any dependants of workers who worked with asbestos and who develop mesothelioma themselves. Any financial loss suffered by a dependant of someone with mesothelioma is also already covered in common law damages.

The purpose of amendment No. 16 is to limit the part of the compensation from which dependants can offset the amount reimbursed to the Government. Claimant lawyers have raised concerns that if defendants are allowed to offset repayments against any part of the award, some claimants will receive no additional compensation. Again, I believe that the amendment

is not necessary. The average payment under the Pneumoconiosis Act etc. (Workers' Compensation) Act 1979 is about £12,000. It is not intended to fund anything specific—medical treatment or care, for example—but constitutes compensation for the claimant's pain and suffering. That is equivalent to general damages in civil compensation and is different from other recoverable benefits, which may be paid by the state for a specific purpose. For that reason, clause 49 allows defendants to offset the amounts that they repay to the Department for Work and Pensions from any part of a lump sum civil compensation award, including general damages.

The amendment seeks to limit the parts of the civil compensation award against which defendants should be able to offset repayments. Although it is right and proper that reimbursements for other recoverable benefits should be limited in that way, that is not appropriate treatment for payments under the 1979 Act for the reason that I have just explained. Indeed, if such restrictions were put in place, they would lead to double compensation for claimants. That would have significant cost implications for defendants, including the state. Indeed, the regulatory impact assessment calculated the cost of the proposal on the basis that defendants would be able to offset the full amount. Furthermore, the restrictions are unnecessary given the size of the average compensation payments for mesothelioma. At £120,000, the average total compensation for mesothelioma is 10 times higher than the average pneumoconiosis payment. As such, it is difficult to envisage a situation in which a claimant would not receive any additional compensation following a claim.

Mr. Plaskitt: Once again, I am grateful to my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) for his contributions. I thank him for the amendments, which would allow for a dependant to be paid the same amount, by way of a lump sum payment, as a sufferer with mesothelioma and which would restrict recoveries of lump sum payments from civil damages to particular heads of damages—namely loss of earnings, the cost of care and loss of mobility.

As my hon. Friend knows, we are funding the scheme from compensation recovery and it will be self-financing. Bearing in mind the limited funds available, we consider that it is much fairer to pay sufferers as quickly as possible in life and pay them as much as can be afforded from compensation recovery. Making payments to dependants at the same rate as payments to sufferers in the new scheme would cost more and we would have to reduce the estimated amount that we are paying sufferers by about £1,000 in the first two years. That would mean that dependants paid under the new mesothelioma scheme would receive more, on average, than dependants paid under the 1979 Act for mesothelioma. That would be unfair, as I think that my hon. Friend will agree. We would have to pay all dependants of those with mesothelioma, including claims made under the 1979 Act, from the new scheme so that they received the higher amount. If we did that, the scheme could not be self-financing, as intended.

8 pm

I turn to the amendment about heads of damages. Unlike social security benefits, these lump sum payments are not intended to meet a specific need—rather, they are a payment made instead of, or in advance of, civil damages. It is therefore right to recover them from any part of a later award of civil damages. The amendment would mean instead that some of the lump sum payments could not be recovered in full. That would have two effects: the person would be over-compensated for their loss; and, unfortunately, the amount available to fund the scheme would consequently be reduced. That would reduce the amounts available to other claimants and erode the long-standing principle that a person should not be compensated twice for the same damage.

I should like to reassure my hon. Friend that the current proposals, which allow for lump sums to be recovered from any element of a compensation award, including awards made for pain and suffering, will not disadvantage the sufferer or their family in any way. They will still receive the full amount of compensation they are entitled to—it is merely that they will not be able to receive it twice. I know that he is concerned about the precedent that that sets, and I can confirm that we have no intention of recovering social security benefits paid for income replacement mobility needs or care needs from general damages.

Given the limited funds available, the Government's current priority is to pay as much as possible to sufferers in life rather than increase awards to dependants. We also need to maximise the amounts that we receive in compensation recovery. As sufferers or their families will not lose out overall if we recover from all heads of damages, I urge my hon. Friend to withdraw the amendment.

Mr. Clapham: In light of the assurances given by the Minister, I am prepared to do so. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 50

REGULATIONS: GENERAL

Amendment made: No. 4, in page 41, line 37, leave out '6' and insert '6(1) or (4)'.—*[Mr. Plaskitt.]*

Clause 57

COMMENCEMENT

Amendment made: No. 5, in page 43, line 23 , at end insert—

'(1A) Section (Registered Maintenance Agreements: Scotland) shall come into force on the day after the day on which this Act is passed.'.—*[Mr. Plaskitt.]*

Schedule 1

THE COMMISSION

Amendments made: No. 6, in page 48, line 28, leave out paragraph (b) and insert—

'(b) send a copy of each report and certified statement to the Secretary of State.'.

No. 7, in page 48, line 28 [Schedule 1], at end insert—

'( ) The Secretary of State must lay before Parliament a copy of each report and statement sent under sub-paragraph (4)(b).'.—*[Mr. Plaskitt.]*

Schedule 4

CHANGES TO THE CALCULATION OF MAINTENANCE

Amendment made: No. 8, in page 64, line 31, after 'maintenance', insert 'or aliment'.—*[Mr. Plaskitt.]*

Schedule 7

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: No. 9, in page 70, line 21, after 'Scotland),' insert—

'(a) in subsection (1), for "satisfied" substitute "of the opinion";

(b) '.

No. 10, in page 73, line 6, after 'Schedule 1)' insert—

'(a) after "paragraph" insert "2(2),";

(b) '.

No. 11, in page 75, line 18, leave out '6' and insert '6(5)'.—*[Mr. Plaskitt.]*

Order for Third Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

8.2 pm

Mr. Plaskitt: I beg to move, That the Bill be now read the Third time.

Since its inception in 1993, the Child Support Agency has had a troubled history. There was broad consent that it should be established because the previous court-based system was not delivering. However, problems with the design and processes of the agency became increasingly apparent through the early years of its operation. Changes designed to overcome some of the problems were implemented in 2003. They were a step towards simplification of the system, not a fundamental change to the system itself. The problems continued. Some, it must be said, were down to the non-co-operation of some non-resident parents who would go to any lengths to avoid their responsibilities to their children. So while the agency adequately served many of its customers, it was offering an unacceptable level of service to too many. The Government therefore decided that the system had too many basic flaws. Further revision would not be sufficient; a clean break was needed.

The Bill is a result of that decision. It makes far-reaching reforms to the way in which child maintenance is administered. It will lift many more children out of poverty. It will ensure that many more children receive the maintenance due to them. It will ensure that many more parents fulfil their obligations to their children. The Bill also introduces a new scheme to pay a lump sum to sufferers from mesothelioma, providing financial support to anyone diagnosed with this terrible disease. For the first time, people whose exposure to asbestos was not through work will be able to qualify for a payment.

I would like to take the opportunity to thank the many individuals and organisations who have been so important in the development and passage of the Bill. I particularly thank Sir David Henshaw and his team for their initial report. I also thank the members of the Committee and our two Chairs, and all the Members who have taken part in our deliberations today. I have been encouraged throughout by the positive and constructive atmosphere in which the Bill has been debated throughout our proceedings. Hon. Members on both sides of the House have shown a good-natured determination to ensure that it really does provide the best possible solutions to two hugely important issues.

I thank my right hon. Friend the Secretary of State and the Minister with responsibility for disabled people, my hon. Friend the Member for Stirling (Mrs. McGuire), who led so ably on many of the clauses in Committee. Furthermore, I wish to put on record my appreciation of my honourable Friend from the other place, Lord McKenzie of Luton, who is responsible for child maintenance policy and for mesothelioma policy and has therefore played a key role in the development of the Bill. I thank the Bill team and all those in my Department who have worked so hard on the Bill. On behalf of all the Committee members, I thank the Committee Clerks, who assisted us so ably in our work.

Above all, I should like to mention the staff of the Child Support Agency. Earlier, I briefly outlined the problems which have dogged the CSA since its inception. Those problems have not been, and are not now, the fault of the agency's staff. Indeed, the staff have made valiant efforts despite working with an imperfect concept and faulty systems. Along with ministerial colleagues, I have met many of our staff in the CSA, and we have all been struck by their dedication and fortitude and by their determination to be part of a successful child maintenance system. They feel strongly that they work on behalf of and in the interests of children, and that has driven them, as it still does, to overcome many difficulties. Throughout, they have remained loyal to their core task.

The agency's operational improvement plan, launched in 2006 and supported by £120 million of additional investment, is clearly proving effective. Already, at the halfway point, we can see decisive improvements in processing times and diminishing backlogs. We can build on that as we move forward. However, as I said, the overall framework is not working. The agency has multiple objectives that distract its staff from focusing on key outcomes; it has customers who are there through compulsion rather than by choice and do not see what benefits it brings to them; and as a body it has become associated with failure rather than success. The introduction of the Child Maintenance and Enforcement Commission is therefore a fundamental reform. The commission will be a non-departmental public body led by an independent board and operating at arm's length from Ministers. We believe that that will provide the focus and operational flexibility that is essential if we are to deliver a successful child maintenance system.

The agency's staff welcome these changes, which allow them to work more effectively to get more money to children. We have had extensive discussions with staff about the establishment of the commission and the introduction of a new system, and they are very supportive. However, it has become clear during those discussions that staff have had genuine concerns about the proposed loss of their civil service status. Many of them have been dedicated civil servants for many years and are very proud of their position, and rightly so. However, under the proposals associated with the commission, staff would have become public servants rather than civil servants. We have therefore decided to make a change. As before, we will establish the

commission as a non-departmental public body, but we will give it Crown status, which means that staff will remain civil servants. An amendment will be tabled in another place to give effect to that change, which brings significant advantages. Over and above some financial advantages, it will ensure that staff in the current agency can look forward to, rather than worry about, the launch of the new commission. In short, we believe that providing Crown status for the commission will considerably increase the chances of a successful start for the new organisation. After a three-year period we will review the position to check that the same advantages continue to exist.

We have made much progress during the past few months in transforming the child maintenance landscape, and we need to keep the momentum going. We have appointed the commission's chair-designate, Janet Pareskeva, who is already actively shaping the new body. We have announced the increased maintenance disregard. By the end of 2008 the disregard will be increased to £20 a week, with a full disregard in housing benefit and council tax benefit, and from April 2010 the disregard will rise to £40 a week.

We are in detailed discussions with both voluntary and private sector providers to ensure that we can put in place all the key aspects of the new information and support service. We expect to be able to announce a preferred supplier for the national contact centre around the turn of the year. The increased disregard and the new information and support services underpin the wider reforms we are making. Members from all parties have supported the measures in the Bill that will stop parents with care on benefit from being automatically treated as CSA applicants. That means that all parents will have the same choices, whether or not they are on benefit, which should improve outcomes for children as it will enable more parents to agree how best to secure financial support.

However, we recognise that parents may want help and support to make the decision that suits them best. The commission will provide substantial information and support services to parents to help them decide the most effective type of arrangement for them personally. We expect three main services to be provided: a large-scale national contact centre, supplemented by web access and a face-to-face service where that is considered most appropriate. The services that the commission provides will reach out to low-income families in particular.

For parents who choose, or need, to use the commission, the Bill sets out a faster and more accurate process for assessing maintenance payments. Rather than asking parents for information, the commission will be able to use Her Majesty's Revenue and Customs tax data to calculate maintenance, and will update maintenance liabilities annually to ensure that they accurately reflect the non-resident parent's ability to pay. We are also developing a provision to permit parents to pass financial information disclosed during certain court proceedings to the commission to help it make fair and accurate assessments.

We are working across Government and with the financial institutions to ensure that provisions in the Bill that relate to orders to deduct money directly from accounts have sufficient scope to ensure that non-resident parents cannot easily evade them. The Bill does something else of great importance. It delivers for the victims of the highly debilitating and fatal disease mesothelioma. Those provisions, too, have been received in a spirit of consensus and co-operation.

The Bill introduces far-reaching and much-needed reform to important areas of welfare policy. It moves our country's system of child maintenance on to a wholly new plane. Over time, it will ensure a better start to life and therefore better life prospects for tens of thousands, even hundreds of thousands, of children. Not one of them was responsible for the breakdown of their parents' relationship. None of them should, in any way, be impeded by that breakdown. The Bill will greatly assist in making sure that they are not.

8.13 pm

Andrew Selous: This is an important Bill, which is urgently needed to ensure that we secure a better deal for the 3 million or so of our country's children who have had to endure the separation of their mother and father. We need a more integrated agenda for supporting separated families. The Bill is an important part of that agenda, but only a part, and we could learn useful lessons from Australia, where practical support for distance parenting and the establishment of civilised ongoing contact arrangements are provided in a more integrated way than we manage to achieve in this country.

The Bill will be judged on its success in getting more financial support flowing between separated parents for the benefit of the children concerned. At present, only one in three lone-parent families receive any support from the non-resident parent. Even where the Child Support Agency is involved, only 62 per cent. of non-resident parents with a positive maintenance liability are currently making payments. That means that 38 per cent. of parents who are expecting the CSA to enforce their maintenance payments are being let down, and the success of the Child Maintenance and Enforcement Commission must be judged on securing a swift and significant improvement in those figures. CMEC is, therefore, at the forefront of the battle to reduce child poverty, about which we learned of stalling progress this morning.

The Bill gives CMEC much tougher enforcement powers to enforce maintenance liabilities. They will only be of any use if they are used, as the CSA has had powers in the past that it has failed to use. However, the measures in the Bill to use HMRC income tax data as the basis of assessment are very welcome and should ensure less aggravation for non-resident parents.

In Committee, both Ministers were courteous and painstaking in replying to speeches and interventions from all Committee members and I thank them for that. I would also like to thank my hon. Friends the Members for Forest of Dean (Mr. Harper), for Peterborough (Mr. Jackson), for Weston-super-Mare (John Penrose), for Daventry (Mr. Boswell) and for Mid-Bedfordshire (Mrs. Dorries). Our two Committee Chairmen, my hon. Friend the Member for Christchurch (Mr. Chope) and the hon. Member for North-West Leicestershire (David Taylor), ensured fair play throughout. Chris Shaw in the Public Bill Office was an unfailing source of guidance on procedure to me, and my own staff, Christina Keen and Christopher Tufnell, have worked hard during the passage of the Bill. No Committee can complete its

[Andrew Selous]

business without the invaluable work of the doorkeepers, police officers and *Hansard* writers and we are indebted to them as well.

I agree with what the Minister said about paying tribute to CSA staff. The problems that the agency has had in the past are not their fault. Frankly, they are our fault, in this House, for not setting up the arrangements properly to ensure that child support worked as it was supposed to. I welcome the Minister's commitment to Crown status, also. If that provides reassurance to those working for CMEC, it will be important to the success of the agency.

Many outside interest groups also helped to ensure greater scrutiny of the Bill and in particular I would like to thank Janet Allbeson of One Parent Families/Gingerbread; Resolution, the family law group; Families Need Fathers; and the Association of British Insurers, in particular.

In order for the Bill to achieve its objectives, we are going to need a significant change of culture in relation to child support in addition to its provisions. The payment of child maintenance must be seen as an important positive responsibility—the first call on a separated parent's income. The Bill must ensure a fair and efficient system to achieve that, but it will also be necessary to promote the message of positive responsibility more widely, so that those who determinedly refuse to pay feel the shame of public disapproval and do not even consider boasting about their behaviour.

The CSA has never dealt well with the human side of separation, but its successor, CMEC, has an important opportunity to do so with the provision of the information and guidance which is established in clause 5, and in particular the wider scope for information and guidance allowed for in clause 5(2). It is my wish that the importance of establishing ongoing civilised contact arrangements and support for distance parenting be recognised in the Bill. That is not in any way to make contact a condition of maintenance, merely a recognition of the fact that parenthood is about money and time—financial support and emotional support.

Indeed, the ongoing involvement of non-resident parents in their children's lives is likely to increase their willingness to pay maintenance. In support of my argument I would like to quote Janet Allbeson of One Parent Families/Gingerbread, who said:

> "There has been a lot of fuss about lone parents supposedly refusing contact. Well, lone parents have said to us: 'We want more contact. Why does he not get more involved?' There is a sort of consensus that, if non-resident parents can be more involved—providing it is safe, of course—it has very good outcomes for children."—*[Official Report, Child Maintenance and Other Payments Bill Public Bill Committee,* 17 July 2007; c. 67.]

I agree with every word of that.

Part of what the information and guidance service will have to do is help separated parents cope with the reality that while marriage and cohabitation are dissoluble, parenthood is not. Divorce and separation used to be regarded a bit like dividing up an estate after someone dies. The marriage or relationship was dead, the fruits of the marriage or relationship were divided and that was the end—subject to ongoing visiting rights and child support obligations, both of which were poorly enforced. Today, around the world, there is a recognition that children need, and usually want, their mother and their father to be actively involved in their lives, as long as each parent is a positive influence and there are no concerns about child abuse or violence. Internationally, there appears to be an irreversible trend towards the encouragement of shared parenting—not necessarily with equal time, but with what is termed "substantial and significant time" in Australia. That would include, if possible, time during the school week, not just at the weekends and during school holidays.

The information and guidance service established in clause 5 will be able to learn much from the network of family relationship centres in Australia that provide a similar service. I have mentioned Australia rather a lot, and perhaps I should declare a personal interest in that my mother was Australian. The family relationship centres have been swamped by the demand for separation services, a fact that I hope will be taken on board by Ministers as they plan the capacity of the information and guidance service. I was grateful to hear a few further details about that service from the Minister.

A fundamental change is the proposal to end compulsory participation in CMEC by all parents with care on benefits and the encouragement of appropriate voluntary maintenance arrangements. That will undoubtedly reduce the work load of CMEC, enabling it to cope more effectively with those cases where parents want the active involvement of the state scheme.

It is obvious that a reduction in the number of parents who separate would similarly reduce the work load of CMEC and Ministers are rightly focused on that. It would be irresponsible not to encourage the Government to do more to support healthy adult relationships as they already do in a small way with their marriage and relationship support funding. Again, the opportunities to do more are enormous and do not require significant funding, merely political will. I hope that Ministers will take encouragement that it was a Democratic President who brought in a welfare reform Act in America in 1996, one of the objectives of which was to encourage the formation and maintenance of two-parent families. Some of the results on the ground are startling, with local initiatives in some countries and some cities in America experiencing drops in divorce rates of 30 to 50 per cent. On the basis that prevention is better than cure, and in order to give the Bill the best possible chance of producing a well-working system, there should be a greater focus on early interventions to reduce family breakdown.

I turn now to part 4, which deals with compensation for sufferers of diffuse mesothelioma. We on the Conservative Benches wholeheartedly welcome the provisions, which represent an innovative partnership between the Department for Work and Pensions and the insurance industry. Seldom can public-private cooperation have been so necessary or so important for the sufferers of diffuse mesothelioma and their dependants. The legacy of work with asbestos means that there were 1,969 mesothelioma deaths in Great Britain in 2004 and that figure will rise to around 2,400 deaths a year by 2013. Even in 2050, around 500 deaths a year are expected. One in 100 men born between 1940 and 1950 will die of the disease. Life expectancy from the onset of the condition is eight to nine months, which is why the provisions are so important in getting statutory compensation to sufferers within six weeks.

There has been much common ground among political parties, although we have not agreed about everything on a number of important areas. Nevertheless, the Bill is a move in the right direction as far as child maintenance is concerned and most definitely provides important assistance for mesothelioma sufferers and their dependants. Conservative Members will, therefore, support the Bill on Third Reading.

8.22 pm

Paul Rowen: There has been a great deal of all-party agreement on the need for reform of the child support system. We are in general agreement with the broad principles set out by Sir David Henshaw and consolidated in the Bill. Those are to encourage more private arrangements outside the CSA/CMEC, to increase the focus on tackling child poverty rather than reducing public expenditure claims, and to produce greater effectiveness in collecting maintenance and enforcement.

It is true that during the Bill's early stages, we were concerned that its proposals might be a rebranding exercise that would not provide the root-and-branch reform needed to introduce enforcement measures that would bring about the collection of the money. As the Minister has said, the CSA has been in crisis ever since it was established by the Conservative Government back in 1993. In 1998, Tony Blair admitted that the CSA had lost a lot of public confidence, and described it as a mess in need of urgent reform. Nine years on, the CSA is still in a mess, and we are only now beginning the second attempt to reform it.

The ultimate objective, however, must be that there should be a reduction in child poverty, which is at such shocking levels in this country. Today, the Joseph Rowntree Foundation published a report that confirms that the Government's approach to tackling child poverty has lost momentum and is in urgent need of a major rethink. The foundation states that there has been no sustained progress in the past three years, and so one in three children in the UK live in poverty.

The Bill could have gone further on the income disregard with the introduction of the maximum disregard. I regret that that did not take place. A report by the Treasury Committee, also published today, expressed the fear that the pledge to halve child poverty by 2010 is in doubt—a point that I made in Committee.

This has been a fruitful and enjoyable Bill to work through. There has been a great deal of commitment on all sides to bring about the improvement that we all want to see. I want to thank the Minister, who has always responded to the points that we have raised and has brought forward some changes today. I thank my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), both Chairmen of the Committee, the Clerks, who have been superb at giving us advice, and Carys Davis, my hon. Friend's researcher, who helped us to prepare our amendments. Indeed, I thank all the people who were involved. I also thank the lobby groups, particularly One Parent Families and Resolution, who have provided invaluable support on certain sections of the Bill, the British Lung Foundation and the Greater Manchester victims of asbestos support group, which gave me several briefings on part 4.

The Committee was friendly, and we had an open honest debate. We certainly covered a lot of ground. However, we would like some subjects to be returned to in the other place. The charging of fees is of fundamental importance and will affect the reputation of the commission and how the public see it. We would like to see no fees charged for services provided by the commission, unless they are charged to the non-resident parent who has defaulted on payments. That should be the case at least until the commission provides a satisfactory service. It is not fair, we believe, to expect people to pay for a service that is not up to scratch.

The income change of the non-resident parent that is needed to trigger a review is another issue about which we have had some concerns. A 25 per cent. decrease in income is too large an amount for the level below which a review is not triggered. That could result in some difficult situations for non-resident parents who suffer an income drop of up to 25 per cent., which will, of course, threaten the flow of maintenance to the children.

We would also have liked the appointment of the chair-designate of CMEC to have been approved by Parliament. I know that that has already taken place, and that she is doing a lot of work, but nevertheless the commission's relationship with Parliament is important. We would like to see future commissioners approved by the House. We have continued to have concern about staffing levels. It is a folly to plan a reduction in staff based on an assumption about a reduction in case load, or even an assumption that the commission will be able to operate adequately at the same level as before the operational improvement plan involved the hiring of new staff.

I welcome the Minister's announcement that the commission will now have Crown status. I echo his comments about the staff of the CSA. They have had a difficult job trying to make work two systems that have proved unworkable. I believe that establishing the commission on a Crown basis will give staff confidence. If we are to be successful, it is vital that we have the full confidence of the staff as they deliver in what will be a challenging few years.

We would have liked interest and dividend income to be included in the information that the commission uses to assess how much the non-resident person is obliged to pay. We understand that that does not involve huge numbers of people, but we nevertheless believe that it is important. We have outstanding concerns about non-resident parents who evade their responsibilities and muddle their affairs to avoid paying maintenance. That is not in the child's best interests. We hope for success in the other place in some of the matters that I have mentioned.

As I said earlier, I congratulate the Government on acting so speedily to deal with mesothelioma in part 4, and on including for the first time payments to people who have not directly worked in asbestos-related industries. It is encouraging for those of us who represent constituencies where asbestos is and will continue to be a major problem that we have been able to get such provisions in place so quickly. It means that payments will be made quickly once mesothelioma is diagnosed. Many people in Rochdale will welcome those provisions.

With those few caveats, the Liberal Democrats are happy to give the Bill a Third Reading.

8.31 pm

Mr. Weir: I want to make a brief contribution on Third Reading. I reiterate the Under-Secretary's comments about CSA staff. They are the one group who are not to blame for its problems. As a constituency Member of Parliament, I have often had to phone the CSA and I have always found the staff as helpful as they can be, given the computer system with which they have to work. Many have struggled manfully, if that is the right word, with an inadequate system over the years, trying to provide a service.

I have often felt that my office has acted as a firewall between the CSA and irate constituents who are at the end of their tether. Unfortunately, many CSA staff have experienced that frustration from constituents on the end of a telephone before they reach their Member of Parliament. We have been able to sort out many cases; some are easier, but others seem to disappear into a black hole—and such is their complexity that it is almost impossible to get them out. I hope that efforts will be made to deal with those legacy cases, because it is important to get them sorted out. The Child Maintenance and Enforcement Commission genuinely represents a new beginning.

I am pleased that CMEC will have Crown status. That is welcome—the staff in particular will welcome that. The CPS union, which is concerned about the matter, has canvassed me on it. I am glad that the Government have listened, and I congratulate the Under-Secretary on that.

We had a good Committee stage, with interesting debates, which is not always the case. The Under-Secretary and his colleagues listened patiently and answered questions. They did not change their minds on many matters, but I live in hope that perhaps they will some day. On Report, and in Committee to some extent, we focused on issues that were in dispute, but much of the Bill's content is not controversial: we are all travelling in the same direction and we all want a system that works for children and families. We may disagree on the best way in which to achieve that, but we are generally going in the same direction.

However, two points need to be considered in more detail. The first is minutes of agreement. I shall not go through the arguments again. I have tried on many occasions, but the Under-Secretary is not yet convinced. Again, I live in hope that, some day, he will see the light and realise that I am right and he is wrong. However, I am not holding my breath.

Secondly, the systems constitute a missed opportunity. One of the most worrying aspects of the CSA was the existence of two systems, which ran side by side with totally different outcomes, depending on when someone first got into the system. Two people who worked side by side, in exactly the same circumstances, could pay vastly different amounts. The Bill introduces a third system with CMEC, which may lead to further frustration. The Government have clearly set the percentages at a level not vastly different from the CSA system 2. However, nothing has been done to deal with those who remain in the original system. When the Under-Secretary was tackled about that in Committee, he said, pretty honestly, that time would deal with the matter. I believe that the hon. Member for Daventry (Mr. Boswell) dubbed that the "biological solution" to the problem. That is a shame because the problem will continue to resonate and undermine CMEC's fresh start.

I was amazed that we got through Report without the hon. Member for South-West Bedfordshire (Andrew Selous) taking us to Australia, but then the reference popped up on Third Reading. He gave us the reason for his fondness of Australia. My knowledge of that country comes mostly from watching "Neighbours", but one of the current story lines deals with child custody. I wait with bated breath to see whether we will see one of the child centres about which the hon. Gentleman has spoken so much throughout the Bill's progress.

I join the general welcome for part 4. Many people in Scotland, Wales and all the former industrial areas suffer from the dreadful disease of mesothelioma. Part 4 constitutes a good way forward to ensure that they are compensated before it is too late. The Government are genuinely to be congratulated on introducing those provisions, which have all-party support.

The Scottish National party and Plaid Cymru support Third Reading. We have one or two reservations, and we shall wait and see whether we can try again. However, the general thrust of the Bill is welcome.

I hope that the mistake that was made with the CSA will not be made with CMEC. The CSA was underfunded from the beginning, and that led to many of its problems. When it was created I was a practising solicitor dealing with the old system—and frankly, I was glad to get out of it when I was elected to Parliament. I wish all those who have to deal with CMEC well, and I wish the body well for the future.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Health Care Prioritisation

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

8.37 pm

Dr. Richard Taylor (Wyre Forest) (Ind): May I first place on record my sincere thanks to hon. Members from both sides of the House and the Officers in the Lobby who virtually led me by the hand to ensure that I was here on time and did not miss a huge opportunity? I believe that I can speak for approximately an hour and 45 minutes, but I reassure you, Mr. Deputy Speaker, that I, too, would like to get away. I will speak for a little more than quarter of an hour, but not interminably.

The debate provides a great opportunity for me to climb on to one of my hobby horses—the minefield of health care prioritisation. I want to speak under four headings. The first is, "Why is prioritisation necessary?" Secondly, I want to demonstrate the difficulties with prioritising health care. Thirdly, I wish to welcome the Government's attempts at it so far. Fourthly, and most importantly, I want to suggest the way in which I believe that the Government should tackle the problem and how, coincidentally, that could go a long way towards helping them rebuild the electorate's confidence after the many blows of the past few weeks.

Why is prioritisation necessary? First, we are all living a great deal longer, so we all have a longer time to be ill—we also have a longer time, I hope, to be healthy. The second reason is the complexities of the treatments now possible. People are now surviving with long-term illness, while children with severe disabilities are surviving long beyond their late teens and early 20s, which was their lot a few years ago.

I qualified, I hate to say, 48 years ago. When I qualified, we had only about three antibiotics; now there are myriad antibiotics. Beta-blockers had not been invented, nor had modern diuretics, ACE inhibitors—inhibitors of angiotensin-converting enzyme—or antidepressants. There were no ulcer-healing drugs. A heart attack was treated with bed rest and masterly inactivity. In almost 50 years there has been an immense change in the treatments available—treatments that patients will demand, now knowing more about them. There have been tremendous changes in the treatment of heart disease, strokes and cancer. However, we cannot afford everything in a tax-funded system with inevitable cash limits.

In my request for this debate, I asked that it be entitled "Health care rationing". When I discovered that the title had been altered, I talked to the Table Office and was told to my amazement that the word "rationing" was not really acceptable on the front of Government business papers. I found that absolutely staggering. "Prioritisation" and "rationing" mean pretty much the same, but "rationing" goes that little bit further and suggests that some things may fall off the bottom of the list as being unaffordable. I am therefore talking not only about prioritisation, but about rationing and the things that might fall off the bottom. That is the whole point of my debate.

I do not often quote Lenin, but in 1936 he said, "Liberty is precious—so precious it must be rationed." I obviously do not agree with him, but I shall pinch his statement and make it: "Health care is precious—so precious it must be rationed." Talking about the national health service's current surplus of £1.8 billion, the Secretary of State told the Select Committee on Health last week that it was enough to meet "our" priorities. That is my first difficulty—whose priorities are we talking about when we talk about prioritisation? Are we talking about the elderly, the disabled, those with mental health difficulties or ethnic minorities? All those groups have been and continue to be neglected, according to recent reports by Mencap, the Joint Committee on Human Rights and the Disability Rights Commission. Are we talking about the priorities of the blind, the deaf, pregnant women, those with rare diseases, those with common diseases, those with fatal illnesses, those with emergency conditions or those with long-term conditions? Somehow we have to address everyone's priorities. That is one of the huge difficulties.

The second difficulty to which I should like to draw attention is the power of various lobby groups. Obviously there are well-organised pressure groups for many of the major illnesses. I fully understand that and have no objection to it, but in any debate about prioritisation one must remember the other people. The illnesses that have a national service framework or national clinical directors, or that have achieved national priority status obviously have a huge advantage. I am not saying that that is wrong, but we must remember the others. I remind the House of what the hon. Member for Newport, West (Paul Flynn) said in his superb 10 commandments for MPs, in his little book "Commons Knowledge". Two of those commandments were that we must

> "Seek the silent voices"

and

> "Serve constituents, the weak and neglected".

Those are the very people we have to seek out; we must ensure that we take their concerns into account. I would much rather call a spade a spade and talk about rationing.

What have the Government done so far? I shall mention NICE, but I shall not go into much detail. As you will know, Mr. Deputy Speaker, the Health Committee has completed its second inquiry into NICE and is working on its report now, so I would be in huge trouble if I leaked any of it. However, we produced a report on NICE in 2002 and I shall read one of our recommendations set out in paragraph 134. It states:

> "Prioritisation of healthcare spending is an issue of overwhelming importance, and during the course of this inquiry it has become clear to us that a more open debate on healthcare prioritisation needs to take place. Our inquiry has persuaded us that, with so many competing interests vying for attention and funding in an area where resources are finite, it is not sufficient to have implicit healthcare prioritisation. We feel that NICE has been laid open to unfair criticism in respect of the 'rationing' debate and as a consequence of the lack of clarity... here."

What else have the Government done? Before having a debate on priorities, one has to ensure economy and efficiency. Here, the Government have made a very serious attempt—or the beginnings of one—with their paper, "Better Care, Better Value Indicators". I thoroughly welcome the examination in it of matters such as length of stay, days of admission before an operation, certain surgical procedures and whether they should be done at all, and the prescribing of generic drugs, particularly the statins. These better

[Dr. Richard Taylor]

care, better value indicators have shown a tremendously wide range of performance between primary care trusts and acute trusts, for example. If the quality of service in respect of the indicators were improved to the top 25 per cent. of PCTs and acute trusts, there could be potential savings of £2 billion. I understand that there are further indicators in the pipeline, which I hope will be examined carefully and, if comparable to the first ones, wholeheartedly welcomed.

At the Health Committee last week, the Secretary of State listed four ways of saving money: best practice, which must, of course, be evidence based; better procurement, cashing in on economies of scale; community-based services, which are obviously cheaper than hospital-based ones; and, of course, the whole issue of drug pricing. The Government are absolutely right about that and all sensible economies and increases in efficiencies must be made, yet it is still a bottomless pit, so I think that rationing is necessary.

Let me continue briefly with some of the unacceptable results of the current situation. I shall talk about postcode rationing, which, I am afraid, does exist and leads to obvious inequalities and inequities across the NHS. A new anti-cancer drug called Sunitinib prolongs the lives of people with renal carcinoma. In some parts of the country, even though the drug has not gone through NICE, it is available; in other parts, including mine, it is not available. It is very hard for people in my area to understand that when they read about the huge surpluses in the NHS and they know people in different parts of the country close at hand who can get these extra few months of life, while they cannot.

Another example is the use of cochlear implants for the very deaf. I am afraid that I made a rather tactless mistake in this connection. One of my constituents badly needs cochlear implants, and I was stupid enough to write to her and compare her need with people's need for Sunitinib. As might be imagined, I got a very large flea in my ear. I shall read some of my constituent's excellent letter to the House. She wrote:

> "I think it is unfair to compare my case with cancer patients. I am a person with a severe hearing disability and looking for prosthetic Cochlear Implant in order to improve my quality of life. Does the PCT put a limit each financial year for the provision of artificial limbs or eyes? Do they limit the number of hip and knee replacement procedures even cataract operations to improve failing eyesight? I would like to suggest that everybody should put earplugs in for a day and see how they get on trying to live their normal day either at home or work!"

She went on to say that my PCT in Worcestershire had

> "the worst record for funding Cochlear Implantations in the whole country."

In another paragraph, she wrote:

> "Regardless of Worcester PCT's financial position, at a time when the NHS has never been better funded with taxpayers money, you must agree with me that it is completely unacceptable for the PCT to reduce funding for Cochlear Implantation to the detriment of people with a major disability. I am sure the Government and the Minister of Health in particular, in addition to the RNID, would find this completely unacceptable."

Further examples are treatment for wet age-related macular degeneration, which was covered very thoroughly by a debate in Westminster Hall last week, and fertility treatment. We hear from gynaecologists and obstetricians that fertility treatment varies strikingly across the country. Whether that variability of provision is due to better resourcing of some trusts or to better management I do not know, but I believe that there must be an open debate to decide whether those treatments should be available to everyone, and, if so, what must go in order to pay for them.

It is sad that Members of Parliament are thought to be able to influence prioritisation. I for one was disappointed by what happened with Herceptin, when the Institute for Health and Clinical Excellence appeared to be rather hijacked by a previous Secretary of State. Although it is clearly right for people to be given Herceptin in certain circumstances, it seemed that the whole method of prioritisation had been circumvented, which led constituents to think that Members of Parliament can circumvent the process. That cannot be right, and there should be no need for it.

How can we make progress? First, we must face up to the problem. Everyone agrees that the NHS must be free at the point of delivery, and it is marvellous that everyone agrees with that, but can provision actually be comprehensive? Sadly, I fear not. However, the appropriate party is in government, and perhaps its members will follow Bevan's words of 1949:

> "The language of priorities is the religion of Socialism."

Hopefully they are on the same wavelength, believing that priorities and prioritisation may improve the equality of health care.

As I have said, we must first focus on all the economies. That is why it is good to see in the Government's proposed Bills a focus on prevention and a focus on public health. We must try to persuade the Government that more money spent on prevention in the short term, even if that has to be taken away from acute care, will save money in the long term. We must also focus on staff levels and quality of care, because at present immense sums of money are wasted on litigation, and even if we have to do more rationing of acute care now to improve prevention and to cut down litigation, that could be helpful in the long term.

An example of the tremendous power that some lobby groups have is demonstrated by the cancer reform strategy published today. Obviously, I have not had time to read every word of it, but I was glad to see when glancing through it that there is an emphasis in it on prevention, which will, of course, not cost that much. It is also keen that one should understand when rationing is necessary and when decisions are not those of rationing.

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): I thank the hon. Gentleman for giving way; I cannot refer to him as my hon. Friend, but he is a friend and a colleague on the Health Committee. I agree with much of what he has been saying and congratulate him on securing the debate. He has given two or three examples of treatments that have not yet been assessed by NICE—which are, so to speak, waiting to go through the process—and it is therefore perhaps not surprising that there is some variability in implementation from PCT to PCT. NICE has, however, recommended on a number of treatments that are not being fully funded by some PCTs—good examples are fertility treatments and rehabilitation for cardiac surgery patients. Do we not need to find some mechanism to

ensure that PCTs implement decisions that have been made by NICE and recommendations that have gone through it?

Dr. Taylor: I thank the hon. Gentleman for that intervention, and I agree with what he says. I have, however, been circumspect in talking about NICE, and I am hoping that our inquiry and the report will address some of those questions, so I will not be drawn into addressing this matter further at present.

I was about to explain a little in respect of the cancer reform strategy. In the section on community-based prostate health clinics, there is the following significant sentence:

"Improved support for men in making decisions about further investigation or treatment would not be a form of rationing, but rather a way of ensuring that men have the best possible information and support when making difficult decisions."

There is rather a move to imply that a PSA—prostate-specific antigen—screening programme is not being rolled out nationwide because of financial difficulties, but that makes it clear that that is not the reason why, and that the reason is that the case for screening is not entirely proven as yet.

All of this calls for great courage from the Government. To open an honest public debate about priorities, admitting that some treatments might fall off the bottom and get rationed out, will be difficult for the Government to consider. Vitally, however, this subject is also important the other way around, in respect of the £1.8 billion surplus. I know we keep on being told that it is only 2 per cent. of the whole NHS budget, but £1.8 billion is still a lot of money to anybody, and after the restoration of education budgets and the ending of the vacancy freeze on staff one would think there should be some left. I think that people should have a say in what the surplus is used on. For me, one of the high priorities would be to reduce the postcode rationing.

I shall briefly consider what could be removed from health care provision and what could be given a low priority. I had hoped that we were still using lots of medicines that did nothing, but NICE told us in an open session of the inquiry that it had looked at this matter and found that few drugs that do nothing were still being used. That is sad, because I remember as a houseman writing up in dog Latin super things such as mist. ipecac. co. That was a delightful medicine whose very taste made one feel better. It was supposed to stop one coughing, but it rightly fell out of use ages ago.

Should we provide cosmetic surgery in respect of tattoo removal or varicose veins? Should we provide travel immunisation or, more controversially, gender change operations, vasectomy reversal or surgery for obesity? What about surgery for some conditions if the patient continues to smoke or drink? That is just the start of a list. How should we take it on?

Hospital Doctor, one of these widely circulated free newspapers for hospital doctors, recently reported on a survey of medical opinion, and it called for an urgent review of NHS rationing. Admittedly its evidence was mostly anecdotal evidence of deaths, suffering and complaints resulting from our higgledy-piggledy rationing by local availability of resources. *Hospital Doctor* called on the Government to commission an independent review of how treatment is rationed in the NHS. It specifically wanted:

"More transparency in how rationing decisions are reached and communicated; Stronger and wider-ranging guidance either from NICE or another independent source; Less political interference, from MPs campaigning for certain treatments to individual primary trust management decisions."

Those are all reasonable aims.

The Royal College of Surgeons has joined the debate. Recommendation 2 of its response to the British Medical Association's discussion paper, "A rational way forward for the NHS in England" referred to core services. It stated:

"There are difficult choices to be made regarding the deployment of NHS resources. This College believes that decisions on priority setting, like those on reconfiguring services, should be made primarily on the basis of clinical need and not in the interests of financial or managerial expediency. There must be an open and honest debate about the services which are freely available on a national basis, those which require some form of co-payment and those which cannot be provided by the state."

The college goes on to draw attention to some of the obvious difficulties that we would encounter were we to embark on such a debate.

My challenge to the Government is to accept that the NHS is potentially a bottomless pit, and that most people want a tax-funded service free at the point of delivery but that a fully comprehensive service is probably impossible. We thus need to have a debate on the top priorities—the core services—and the lesser priorities, some of which might fall off the bottom of the affordable scale.

An open and honest debate on the issue might restore some confidence in the Government and show that they are prepared to listen. A debate would also give the Government the chance to demonstrate that they can take advice—something that was thrown into doubt by the treatment of the Home Office Minister in the House of Lords recently.

If such a debate took place, headlines such as those in *The Guardian* today might no longer be possible. Two examples were, "Prospect of moving to a care home frightens two thirds of Britons" and "NHS ignoring human rights of people with learning difficulties". Perhaps the Minister could persuade his ministerial colleague in the House of Lords to add this dimension to his review of the NHS. His vision is of

"a world class NHS focused relentlessly on improving the quality of care".

I cannot argue with that, but I wish that we could add to the vision how that is to be achieved and how we can tackle the inequity that exists. We must recognise that we cannot afford everything, and the consultation must address the issue of prioritisation or rationing. I have demonstrated tonight how much support there is for doing so.

9.6 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing the debate. The House benefits from his clinical expertise and long history of fine service to the NHS. He has

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also become gradually aware of how to be a streetwise politician, as is clear from some of his recent contributions to debates.

The hon. Gentleman entered the House in the first place through an attempt to have an honest and open debate about health care in his local community. He campaigned very emotively on behalf of the local hospital and succeeded in removing the sitting MP. The hon. Gentleman will therefore understand why there might be parameters to people's willingness to be open about the need for change and transparency in the NHS. However, I will not hold that too much against him this evening.

The hon. Gentleman raises several fundamental issues that we need to address now and in the future, given the changing nature of our society and of health care. It is important to contextualise the debate. This Government have put in an unprecedented level of resources over a sustained period, in terms of the history of the NHS. As a consequence, we have had a massive improvement in patient care, beyond all recognition compared with the state of the health service only 10 years ago.

Between September 1997 and September 2006, nearly 36,000 more doctors and nearly 80,000 more nurses were employed in the NHS. Waiting times are now at the lowest levels since records began. Only five years ago, thousands of patients waited for anything up to 18 months for in-patient treatment; now, the vast majority are seen and treated within six months. By 2008, all patients will be treated within 18 weeks of referral from a GP in the vast majority of circumstances.

More than 99 per cent. of patients with a suspected cancer are seen by a specialist within two weeks of being referred by their GP, which is a huge improvement over only 63 per cent. in 1997. More people than ever before who are diagnosed with cancer begin their treatment within a month of diagnosis. We have increased the number of cancer specialists by 45.6 per cent. since 1997, while cancer mortality in people under 75 fell by nearly 16 per cent. between 1996 and 2003. Leaving aside the statistics however, that means that 50,000 lives have been saved.

We are proud of the cancer reform strategy that we announced today. It puts great emphasis on prevention, but we want to go even further in terms of the advances that have been made.

In the hon. Gentleman's community, Worcestershire primary care trust will receive allocations of £617.7 million in 2006-07 and £679.3 million in 2007-08. Those allocations represent an extraordinary cash increase of £130.4 million, or 20 per cent. over two years, although it is about the national average.

The hon. Gentleman quoted Lenin and Nye Bevan. I shall not be able to emulate him in that respect, but I shall mention that John Lennon wrote "Imagine", a song that gave an idealistic view of the world and which said that we should be optimistic and positive about the future rather than grudging, cynical and negative. At different stages in the development of the NHS there have been people who have preached doom and gloom; they said it was not doable, not possible or no longer viable. Much of the reform in the Conservative Government's agenda for health between 1979 and 1997 was underpinned by the notion that if they eroded public confidence in the national health service that Labour created, and which we believe in, over time the public would stop believing in the NHS, too, and wholesale privatisation would be the inevitable consequence. I am delighted that they were never allowed to finish their mission. In any case, the British people would have rejected it overwhelmingly.

There is no doubt that we live in a changing society and the health service cannot function in isolation. People are living longer, and they suffer from more challenging conditions. There are medical and technological advances. Patients have different expectations nowadays from 10, 15 or even 20 years ago, so the hon. Gentleman is right to say that the health service has to adjust, not just to present-day realities, but to our changing society.

The hon. Gentleman says that people with learning disabilities are not treated properly in the NHS and that there is a failure to respect the dignity of older people. He should talk to some of his professional colleagues and the managers in the service about why some of those things happen. It is not because there are not enough resources to fund the system properly. That cannot be used as justification for not treating older people with dignity and respect and not treating people with learning disabilities properly. We should not entirely let NHS management and professionals off the hook in terms of their responsibilities to some of the most vulnerable patients. It is important that we talk about quality, accountability and responsibility.

A number of factors will influence an equitable and fair NHS in the future. The building blocks are in place. NICE is world-class by any comparable standards, and I thank the hon. Gentleman for being positive about its role, as well as for being realistic about some of the difficulties and tensions the organisation faces. NICE is consulting on its technological appraisal methodology, and I urge hon. Members and members of the public to comment on whether that methodology should be changed in any way.

Whatever the system, if it comes up with popular results, an organisation will be applauded to the heavens, but when its decisions are more controversial or unpopular the organisation will inevitably attract significant flak and criticism. That is why we must be consistent in our support for the integrity and independence of NICE. The organisation is relatively young and new, but it does a very good job indeed.

The other factors that will influence the long-term sustainability of the NHS, its universality and the comprehensive nature of what it offers people, include resource allocation. We are consulting on the resource allocation system in the NHS. What are the characteristics and ingredients that make up the formula that determines how resources are distributed across the system? Factors such as the nature of a local population, need within the community, poverty, the number of elderly people, sparsity and rurality are all important when looking at whether the distribution of resources across the system is as fair as possible.

The hon. Gentleman rightly raised the question of where we spend the existing money. As the Minister with responsibility for social care, mental health and children's health, I think that there is an issue about significantly shifting resources in the national health

service from acute NHS care to early intervention and prevention, and community-based services. That requires courage from people such as the hon. Gentleman, who is respected for his clinical judgment; such people should argue fiercely that no change is not an option in terms of best patient care and that the position of Her Majesty's official Opposition, which appears to be a moratorium on any change to services, is highly irresponsible and not in the best interests of patient care.

Dr. Naysmith: I agreed with much of what the hon. Member for Wyre Forest (Dr. Taylor) said, but I did not agree with him wholeheartedly when he talked about a widespread discussion of the options and slightly disparaged politicians, various experts and perhaps even one or two clinical colleagues. There have been a number of attempts in this country and America to find out what the public think about the distribution of resources. There are a couple of famous studies, particularly from America, in which people are asked to rank the spending priorities. They tend to go for cancer and flash subjects at the top, and disabled individuals and mental health services come at the bottom. It is really important that politicians, who understand the need for the distribution of resources, have a say in what happens. It should not just be the experts. Does the Minister agree?

Mr. Lewis: I agree with my hon. Friend about most things to do with the health service. He is absolutely right. It is important to understand that we spend large amounts of taxpayers' money on health. Health is a massive concern to every voter and citizen. The notion that comes from some clinicians—I do not think it comes from the hon. Member for Wyre Forest—that politicians should butt out entirely of decisions about the national health service is disingenuous.

We have to define appropriately the respective responsibilities of the different players in our national health service and its relationship with other bodies. I will come to that in a moment. What is the responsibility of the Department of Health nationally, of Ministers and senior officials in terms of policy, and of strategic health authorities and primary care trusts? What are the responsibilities of front-line clinicians and other NHS staff? What power—and accountability—should we give to individual patients, users and carers, as well as local communities, when it comes to influencing decisions that affect the NHS and social care in their areas?

We know that there has been an increasing role for overview and scrutiny committees and local authorities, and we want to see that role expand. What is the proper place for local elected members to have some sort of influence? I am not sure that we want to have a stale debate about whether local government should run the NHS or whether the NHS should take over social care, because inevitably we will then get into debates about organisational restructuring, which could lead us down a road that we do not need to go down. However, as the hon. Member for Wyre Forest said, we have to address honestly accountability, respective responsibilities and relationships among the different players.

I was talking about shifting resources from acute care to early intervention and prevention. It is important that people do not see this as ideology, because it is also about patients' choice and expectations. The vast majority of people want to remain in their own homes for as long as possible. Medical and technological advances—the hon. Gentleman referred to this—mean that there is no rhyme or reason as to why many treatments that have historically and traditionally been undertaken in hospitals need to take place in a hospital building. Equally, we need to reassure the public that our investment in primary and social care, and community-based health provision, will be put in place so that the shift in resources does not lead to a diminution in services, but results in things being done differently, with a stronger approach on patient care.

In the context of finite resources, we have a responsibility to consider health inequality. It cannot be doubted that the family into which citizens are born and the postcode area in which they happen to live can have a dramatic impact on their quality of life, life expectancy, and health and well-being. Part of being honest and transparent in the debate—Nye Bevan would be proud of a Labour Minister saying this in 2007—is not apologising for recognising that in any funding allocation system, it is entirely appropriate to focus a significantly greater proportion of resources on those in the greatest need. We need to make it clear that people in the greatest need can be living in relatively affluent areas, so the way in which we target additional resources to address health inequality is also a challenge.

There is a question about the relationships among the national health service, local government, social care, public health and the wider range of services that contribute towards citizens' well-being in local communities. If we are going to move towards prevention and early intervention, and recognise that the ability to have a job has a direct impact on many people's health and that their ability to access education and training contributes to their well-being, we will need a step change in the integration of local government, the NHS, the voluntary sector and the private sector in every local community. Over time, we need a more integrated approach on not only the commissioning of services, but their planning and, in many cases, collocation. I say gently to the hon. Gentleman that it is important that the NHS understands that many of its objectives will be achieved only through its connectivity with local government, the third sector and the private sector.

Practice-based commissioning will be incredibly important. On the basis of a population needs assessment, we will be giving practices a lot more power to commission services. That is another vehicle to ensure equity of access as well as quality of care. The priorities in the NHS operating framework obviously determine the view of the chief executives of PCTs and provider trusts on what is important when allocating resources and focusing on delivery. The operating framework is crucial, as are the outcome framework for the NHS and the new performance and outcome framework for local government. It is important that we try to secure synergy in a world in which we are trying to achieve more of our policy objectives through local area agreements. Such agreements bring local agencies on the ground together around shared objectives, shared accountability and shared responsibility.

I urge the hon. Gentleman and my hon. Friend the Member for Bristol, North-West (Dr. Naysmith), as members of the Select Committee on Health, to start conducting serious analysis on the new performance

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framework locally and its implications for securing the health and well-being of a local population. All of us—Ministers, officials, Health Committee members and parliamentarians—need to start looking holistically at the health and well-being of citizens and local populations. We will be able to do that only if we examine not only connectivity among the NHS, local government, the voluntary sector and the private sector, but the power, control and choice that we put in the hands of patients, users and carers.

Lord Darzi is undertaking tremendous work in the other place on the next stage in the national health service's transformation. The question is how we move from having fixed the NHS and rebuilt its foundations—the Government are proud of that—to creating a world-class, cutting edge national health service. A couple of weeks ago, my noble Friend Lord Darzi became probably the first Minister in history to have saved two lives in 48 hours. I cannot think of many politicians who have been praised for saving one person's life, but to save two in 48 hours must be a historic achievement. Lord Darzi is a massive asset to our ministerial team and to our development of national health policy. His views and aspirations are based on his everyday experience; the same is true of the hon. Member for Wyre Forest. Lord Darzi is a world-class clinician in his field, so it is important that he is at the heart of what we are doing, and is working closely with an excellent Secretary of State to make sure that we go from having fixed the NHS to creating a world-class system.

The Secretary of State has asked me to lead the work on the case for an NHS constitution. The notion of a constitution is exciting because it would be an important vehicle allowing us to enshrine the rights and responsibilities of patients in the NHS, the relationship between central Government and the NHS regionally and locally, and the NHS's connectivity with other agencies on health and well-being. I have been asked to examine the issue. We will talk to people, and I invite the hon. Gentleman to submit any ideas that he has on whether we ought to have a constitution, and if so, on what the content ought to be. I hope that his contribution will be slightly more constructive than that of Her Majesty's official Opposition. They produced a constitution that they said would give clinicians independence, and said that they were creating a board that was at arm's length from Government. When they were asked to whom the board would be accountable, the answer was the Secretary of State for Health—a curious notion of independence and transparency. The debate on whether we ought to have a constitution, and what should be in it, gives us an opportunity to address some of the legitimate points that the hon. Gentleman has raised.

The hon. Gentleman spoke about patient, carer or user pressure. In a healthy democracy, there will always be such pressure. It is the responsibility of the elected Government and parliamentarians to absorb it, to listen to the heartfelt views of people who feel passionately about causes and to make decisions that are in the best collective interest. That is at the heart of the responsibility of an elected Government in a democratic society, and at the heart of how responsible parliamentarians ought to behave. I am delighted to say that we will never live in a country in which pressure groups have stopped fighting for the things that they care about most. Sectors may still feel that they are the Cinderella, including the mental ill-health and learning disability sector, and historically, to some extent, the child health sector. Carers increasingly tell me that the health service does not treat with sufficient respect care partners who look after older or disabled people. We should not be afraid of patient pressure; we should welcome it. Our job is to weigh up all those views and all that passion, and to welcome and encourage it, but then to make the difficult judgment calls that elected politicians are charged with making.

The Government are proud to have created the national health service. We are proud of the fact that we have rebuilt its foundations and rescued the NHS. One of our fundamental values and principles is that the NHS must remain free at the point of use, irrespective of means, and funded through general taxation. That is non-negotiable—there can be no compromise or dilution—but I believe that we can retain that fundamental set of values and principles while addressing responsibly and seriously the legitimate concerns voiced by the hon. Member for Wyre Forest about the changing nature of society and the massive medical and technological advances that have taken place and will continue to take place. As part of the Lord Darzi process, I look forward to ensuring that we have the building blocks in place to move from an NHS whose foundations have been rebuilt to a world-class national health service.

Question put and agreed to.

Adjourned accordingly at half-past Nine o'clock.

House of Commons

Tuesday 4 December 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

London Bridge Station

1. **Tom Brake** (Carshalton and Wallington) (LD): What assessment she has made of the likely effect of Thameslink construction works on the ability of London Bridge station to handle trains terminating from south London suburban lines. [170384]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): The final phase of Thameslink construction will involve complete remodelling of the track and platform layout at London Bridge. We are working with Network Rail to ensure that inconvenience to passengers is kept to a minimum while the works proceed.

Tom Brake: Does the Minister agree that the building of phase 2 of the East London line would be helpful in ensuring that passengers going to the City who currently have to go into London Bridge, with the associated disruption, could use the East London line as an alternative? Does he consider that project to be good value for money, and will his Government support it financially?

Mr. Harris: The hon. Gentleman will, of course, know that phase 2 of the East London line is a matter for Transport for London. He is right to say that the line might provide some assistance for passengers otherwise inconvenienced by the work going on at London Bridge. However, there are alternatives that might provide the same kind of relief for passengers using London Bridge during the construction period. He will have to be patient, because in April next year Network Rail's route utilisation strategy for south London will be published. That will contain a list of all the options, and I am sure that the one that he mentions will be given due attention by Network Rail and by the Government.

Patrick Hall (Bedford) (Lab): My constituents welcome the commitment to rail demonstrated by the Minister and his colleagues, as delivered by First Capital Connect and advocated by Bedford commuters association, which welcomes the start of the Thameslink project, with developments such as the one at Luton Airport Parkway station. It welcomes the promised extra trains that will be delivered—

Mr. Speaker: That is understandable, but a supplementary question must be brief, and this is a little speech. Perhaps the Minister will answer the hon. Gentleman.

Mr. Harris: I am grateful to my hon. Friend for his support. Thameslink is a vital part of the high-level output specification that we announced in July, with £5.5 billion going towards a project that some suggested might never happen. It is happening, it is being built, and by 2015 it will have been completed, under this Government.

Sir John Butterfill (Bournemouth, West) (Con): As the Minister is considering construction works in south London, will he confirm that he knew that the five international platforms at Waterloo station were due to be released at least five years ago—

Mr. Speaker: Order. I apologise—I should have stopped the hon. Gentleman sooner. That has nothing to do with the question before us.

Mr. Mark Field (Cities of London and Westminster) (Con): Victoria overground station—*[Interruption]*—is also likely to be subject to major overhaul in the years ahead. Will the Minister personally ensure that the essential maintenance programme is properly phased, because presumably a lot of London Bridge traffic—*[Interruption]*—will otherwise have to go to Victoria and Charing Cross?

Mr. Harris: That was nicely done, Mr. Speaker.

I can assure the hon. Gentleman that in planning the works Network Rail will make great efforts to avoid the inconvenience that he mentions. I cannot undertake that I will ensure personally that that happens; Ministers are not best placed to make such provision. However, he is right to say that lines to Victoria will be subject to some inconvenience and disruption during the Thameslink construction, and it is up to Network Rail to minimise that wherever possible.

Martin Linton (Battersea) (Lab): Does my hon. Friend agree that the disruption caused to south London suburban services by the Thameslink construction programme will be avoided only if phase 2 of the East London line is built first, freeing up badly needed platform space at London Bridge? Will he meet me and other south London MPs to consider a proposition that would be in everybody's interests?

Mr. Harris: As my hon. Friend knows, my door is always open—but I would correct him in at least one respect. The completion of phase 2B of the East London link is not the only way of relieving pressure on London Bridge during construction. As I said, the options for what Network Rail can do will be set out in the route utilisation strategy to be published next spring. The funding of the East London line, while a matter for Transport for London, will of course be considered as part of that strategy if it is seen that the

construction of that phase would have a beneficial financial impact on works that would otherwise be funded by the Department for Transport.

Mr. Crispin Blunt (Reigate) (Con): Given that the route utilisation strategy consultation is due some time next year, one begins to wonder how many endless consultation processes we will have to go through. This process is called Thameslink 2000; it is now 2007. Will the Minister ensure that the consultation process does not lead to the programme being put into the sidings?

Mr. Harris: My first ministerial decision on taking office was to rename Thameslink 2000 as Thameslink. The hon. Gentleman is perhaps getting confused between consultation on two different issues. The consultation currently under way is the one on Network Rail's route utilisation strategy. However, Thameslink is now being built. It is going ahead and will be fully funded in the next control period between 2009 and 2014.

Clive Efford (Eltham) (Lab): The Thameslink development, the lengthening of platforms and the increasing of the electricity supply to increase capacity on the Southeastern network is very welcome in my constituency. When my hon. Friend is considering the route utilisation strategy, will he remember that south-east London is not served by the London underground? That means that there is a heavy reliance on overground rail services for commuters into central London. When he is considering the outcome of that process and the number of trains that might be serving central London, will he also consider that issue for people in south-east London?

Mr. Harris: My hon. Friend is correct, which is why the route utilisation strategy and the consultation process under way at the moment are so important to his constituents and those of many other hon. Members.

Carbon Dioxide Emissions

2. **Dr. Stephen Ladyman** (South Thanet) (Lab): What contribution her Department is making to the Government's strategy for reducing carbon dioxide emissions. [170385]

The Secretary of State for Transport (Ruth Kelly): Transport has a vital role to play in supporting sustainable economic growth, but it is clear that it must also play its full part in the UK's overall framework for reducing carbon emissions. That is why we are investing record amounts in public transport, providing people with better information about their travel choices, making fuels cleaner and vehicles more efficient, and leading the argument in Europe for including aviation in emissions trading.

Dr. Ladyman: I am grateful to my right hon. Friend for putting that on the record, as the Department is seldom given the credit it deserves for what it is doing to reduce carbon dioxide. Does she agree that measures that win public support are most likely to be effective? The measures that she is considering, such as introducing aviation into the emissions trading scheme, and the renewable transport fuel obligation, are far more likely to succeed than banning people from taking holiday flights and making them pay to park in supermarket car parks, which are the proposals coming from the Conservatives.

Ruth Kelly: I thank my hon. Friend for his kind comments. It sometimes seems to me that the Conservative party is torn irrevocably in two different directions, and cannot choose between the two. He is right to point to policies such as the renewable transport fuels obligation, which, I can inform the House, make up nearly a quarter of the CO_2 savings in the Government's climate change objectives. I am clear about the scope to go further, and that is why the Department recently published a response to Eddington and Stern, which sets out the progress that I hope we can make.

Mr. Greg Knight (East Yorkshire) (Con): But will the Secretary of State get a bit radical? Does she realise that unnecessary emissions are caused when a vehicle has to stop unnecessarily? Why does she not trial some of the schemes in force in the United States of America, where vehicles are allowed to turn on a red signal—over here, we would allow a left turn—and consider other schemes whereby during non-rush hour periods, traffic lights do not go to red unnecessarily but flash amber in all directions?

Ruth Kelly: I think that the right hon. Gentleman is referring not to the report by the right hon. Member for Wokingham (Mr. Redwood) on economic competitiveness, but that of the right hon. Member for Suffolk, Coastal (Mr. Gummer) on the environment, which illustrates how torn the Conservative party is. Of course, we are prepared to listen to constructive suggestions on all the issues, but to return to the comments of my hon. Friend the Member for South Thanet (Dr. Ladyman), it is important that we are able to convince people that credible propositions are in place that are likely to succeed in reducing CO_2 emissions.

Phil Wilson (Sedgefield) (Lab): We all want to reduce carbon emissions, and we have to balance that with the importance of air travel to regional economies. Would my right hon. Friend consider making the air route between Durham Tees Valley and Heathrow airports a public service obligation route to protect the prosperity of the north-east?

Ruth Kelly: I congratulate my hon. Friend on championing the cause of his constituents. It is important that we maintain and revitalise regional air services in the UK economy, which is one of the reasons why, provided that the strict local environmental conditions are met, the Government support in principle the third runway at Heathrow airport. If we have more capacity at Heathrow to serve more regional destinations, it should become possible to re-energise local and regional economies.

Mr. Julian Brazier (Canterbury) (Con): In view of Transport Commissioner Jacques Barrot's recent announcement on tracking containers, why have the Government chosen to exclude imports from the Climate Change Bill? Does the Secretary of State realise that goods travelling much of their journey to the UK by lorry have a much higher carbon footprint than those that travel the whole way by sea?

Ruth Kelly: Of course it is right that we take any action that reduces CO_2 emissions in a way that is cost-effective and delivers the maximum CO_2 reductions consistent with economic growth. The Climate Change Bill, which is the UK's framework for delivering substantial reductions in CO_2 emissions—at least 60 per cent.—considers domestically sourced CO_2. Of course there is an argument about how we treat imports, international aviation emissions and emissions that are not domestically sourced, but I hope that the hon. Gentleman will agree that we are leading the debate in Europe and beyond.

Bus Services

3. **Mr. Khalid Mahmood** (Birmingham, Perry Barr) (Lab): What plans she has to enable the public to have greater involvement in making decisions about local bus services. [170386]

The Minister of State, Department for Transport (Ms Rosie Winterton): Today I have published a consultation paper, "Options for strengthening bus passenger representation", covering England. This follows our earlier commitment to consult on ways to ensure that bus users have their say when key decisions are being made, and to provide a more influential voice for bus passengers.

Mr. Mahmood: I thank my right hon. Friend for that, but will she ensure that when local authorities and local bus service providers such as Centro in Birmingham make rescheduling announcements, pensioners who rely on those services do not find them drastically cut at the stroke of a pen, and that clear consultation is put in place instead?

Ms Winterton: My hon. Friend is right to highlight some of the problems in his constituency. People feel strongly if a bus service is suddenly taken away, particularly if they have not been consulted. One of the options for our new bus champion body would be the ability to conduct research into what people want from their bus services and what they get from them. If necessary, the process can be about naming and shaming operators that do not meet the public's expectations. That is what passengers want to see.

Dan Rogerson (North Cornwall) (LD): The Minister will be aware that one of the issues causing consternation to users of bus services in rural areas is the break-up of routes following the community drivers regulations. In a debate in the other place on 19 June, the Minister's noble Friend Lord Bassam invited representatives of rural bus companies to meet officials to discuss the issue. Has that meeting taken place, and if not, when is it likely to do so?

Ms Winterton: I had a meeting with some of the coach operators and smaller bus companies in which we discussed that issue. One of the problems is that when the legislation was going through, representations were not made and evidence was not forthcoming about some of the potential problems down the road. The Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick) has also taken an interest in the matter. We have to bear it in mind that there is a safety issue, too, which is about carrying passengers, sometimes on quite long routes. We have to achieve a balance between ensuring that safety is properly covered and the need of operators to run those routes.

Graham Stringer (Manchester, Blackley) (Lab): Is not the best way to get the public involved through the local democratic process? In particular, would it not be better if decisions on quality contracts under the new Local Transport Bill were made by locally elected councillors, rather than a quango composed of transport commissioners?

Ms Winterton: Perhaps it would be helpful if I explained the process that we would expect any approvals board to go through. We would want local authorities to carry out a consultation and make a properly costed proposal on how they wanted to put together a quality contract. It would then be for the approvals board to ensure that those costings were correct, that the consultation had been carried out and that the scheme was going to work. That will provide local authorities with greater certainty that they will not be judicially reviewed, and operators with the knowledge that the scheme has been properly considered before it goes ahead.

Mr. Mark Harper (Forest of Dean) (Con): My constituents have made clear their position on the concessionary fares scheme. We have a problem because of our geography, in that many of my constituents need to travel across the border into Wales. I have tried to make my constituents' views clear to the Welsh Assembly Government, but having received a somewhat unenthusiastic letter from the Deputy First Minister, I would welcome the Minister's support, working with colleagues in the devolved Administrations, for making the concessionary fares scheme work more smoothly across the UK's internal borders.

Ms Winterton: I certainly hope that we can ensure that the concessionary fares scheme works smoothly. I have to say that it has been greatly welcomed among elderly people and people with disabilities. It will operate at a cost of about £1 billion a year. It is running now at the local level and it will be extended to the national level from April. Of course we want to see the scheme operating properly across the borders.

Mr. David Clelland (Tyne Bridge) (Lab): Does the Minister agree that such plans should be capable of being implemented as speedily as possible, should be meaningful and capable of delivering what local people want, and should be designed so that those local people cannot be unreasonably frustrated by appeals and recourse to judicial review by bus operators?

Ms Winterton: I assume that my hon. Friend is talking about the quality contracts scheme as opposed to the concessionary fares scheme. I absolutely agree, which is why we have tried to ensure that our approvals board is established to avoid difficulties and secure greater certainty—we can never reach complete certainty, but we can at least bring about greater certainty—for local authorities that proposals have been through an independent process and can proceed

as quickly as possible. Local authorities need that certainty, and where bus operators may be withdrawing services from an entire area because they cannot meet a contract, we also need certainty that the proposals have been through an independent process.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Does the Minister realise the effect that the so-called 50 km rule is having on the provision of bus services, particularly in rural areas? In some cases, routes are being segmented, resulting in increased cost and inconvenience to passengers; and in other cases, routes may be axed altogether. Clearly, this is not a safety issue, because in order to comply, it is possible to change the passengers but not the driver. Will the Minister apply, as Finland has already, for a derogation to restore some sanity in this area?

Ms Winterton: As I said earlier, I have had discussions with operators about this issue. The Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town is having further discussions. Those issues were not raised when this was going through the directive process, and it is important to remember that this is about ensuring the safety of passengers as well as working conditions for drivers. Those should be put together, as the decision has been taken to make longer journeys safer for drivers and also for passengers. We should bear that in mind when we hear the hon. Gentleman saying that we should do away with it all.

Mr. Mark Hendrick (Preston) (Lab/Co-op): My right hon. Friend will be aware that bus wars have broken out in Preston, with Stagecoach trying to muscle in on the town's profitable routes. We are seeing races down the road and jostling for position at stops, which is putting passengers at risk. Would the Minister be willing to visit Preston to meet local authorities and representatives to discuss the situation? I am afraid that there will be injuries, and possibly even a death, if things carry on as they are.

Ms Winterton: I know that my hon. Friend has been extremely concerned about this matter. He raised it in an Adjournment debate last week, to which the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town, replied. I met the owner of Stagecoach recently and, having heard the representations of my hon. Friend the Member for Preston (Mr. Hendrick), I made clear my concerns about the situation. I do not know whether my hon. Friend is aware that the traffic commissioner has taken a strong interest in this issue and has taken the decision to convene a public inquiry into Stagecoach's behaviour, which will start within the next two weeks. I will certainly keep in touch with my hon. Friend about this matter, and I would, of course, like to visit his constituency. It is also important to ensure that Lancashire county council, as the transport authority, is involved, in order to try to resolve what is clearly a very difficult situation.

Ms Dari Taylor (Stockton, South) (Lab): Will my right hon. Friend confirm that local authorities and members of the community have the right to scrutinise bus companies' accounts? I ask that because, like all of us, I want to ensure that the routes being subsidised are the routes that people need most, even if they are less profitable, and it has been suggested that subsidy is being put into profitable routes so that shareholders get a dividend.

Ms Winterton: I suggest that my hon. Friend respond to our consultation document, which deals with what the new body that we are establishing may be able to do. I imagine that some of the companies' accounts are in the public domain, although some may of course be commercially confidential. My hon. Friend may wish to suggest, in response to our document, a method of making it more obvious where money is being spent and where routes are not being run.

Lewes-Uckfield Line

4. **Norman Baker** (Lewes) (LD): If she will make it her policy to support the reopening of the Lewes-Uckfield railway line. [170387]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): Reopening regional or rural lines will not normally be the most effective way of delivering the capacity increases that, as the rail White Paper explained, are our priority. I nevertheless remain willing to consider any reopening proposal that is supported by a proper business case and can be funded privately.

Norman Baker: I am grateful for the Minister's supportive comments here and elsewhere. He will know that a strong cross-party campaign, backed by a professional board including members of Network Rail, wants the line to be reopened. Can he guarantee that if a business case is produced—and I accept the need for that—he will look sympathetically at the possibility of providing funds? Sometimes it seems that it is easy to obtain funds for new roads, but not funds for new railways.

Mr. Harris: I can certainly guarantee that we will look at the business case. Capital costs would have to be met entirely by the private sector, but as well as the private investment that would be needed for the rebuilding of the route, extra finance might be required to enable trains to run along it, in which case the Department would have to step in and decide whether there was a value-for-money case for those services. If a robust business case is supplied, however, I shall be more than happy to consider it, and ensure that my officials give it a fair hearing.

Charles Hendry (Wealden) (Con): A strong argument in favour of reopening the link is the increased popularity of the existing service to Uckfield, but one of the consequences of that increased popularity is that hundreds of cars are being parked every day, very inconsiderately, in residential areas because of the lack of parking at the local stations. Will the Minister work with councils and the appropriate rail authorities to see how the problem can be addressed?

Mr. Harris: There is indeed a growing problem with car parking at Uckfield, complicated by the fact that existing land owned by BRB (Residuary) has been tied up in a five-year development plan of which only one

year has elapsed. However, if the council is willing to re-examine a policy that, I understand, restricts access by cars to any feasible car park on the site from the high street, it may be possible to find a way of making progress on this important issue.

Concessionary Bus Travel

5. **Laura Moffatt** (Crawley) (Lab): What steps her Department is taking to raise awareness of the entitlement to concessionary bus travel. [170388]

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): The Department for Transport will deliver a national publicity campaign, which will start in the new year. We will also provide travel concession authorities with a comprehensive communications toolkit, containing resources that can be adapted for local needs and including advertising material.

Laura Moffatt: I am grateful for that response, especially as a member of the Public Bill Committee that aimed to ensure that the concessionary bus fare scheme would operate nationwide. In Crawley a good Labour council has provided the constituency with a concessionary scheme for decades, but will now be able to offer something far beyond the boundary. Does my hon. Friend agree that it is important for people to know that that will be happening very soon?

Jim Fitzpatrick: I entirely agree. We must ensure that the message reaches everyone who is entitled to use the new passes. I congratulate my hon. Friend's local authority on the service that it has delivered until now, and I am sure that the whole House looks forward to the start of the nationwide scheme next year.

Miss Anne McIntosh (Vale of York) (Con): Is the Minister aware of the problem of who will pay for concessionary fares in tourist areas such as that governed by Harrogate borough council, part of which falls within Vale of York? The council will potentially be left with a shortfall of £1 million. Where is it supposed to find that money, which corresponds to a 10 per cent. increase in council tax?

Jim Fitzpatrick: We are aware that a number of local authorities are saying that they cannot afford the scheme. However, the Department's calculations of the amounts that each local authority will receive have been generous, based on assumptions of take-up set against experience of the take-up of existing local schemes elsewhere. Additionally, the Department will supply £212 million next year, on top of the Government grants for the scheme locally, to make sure that all travel concession authorities will be able to ensure that the scheme is available to its residents.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my hon. Friend ensure that local newspapers, such as the *Chorley Guardian*, the *Lancashire Evening Post* and the *Chorley Citizen*, carry the adverts, because as older people read local newspapers, that will be a good way of clearly getting across the message that this Government have provided the concessionary travel?

Jim Fitzpatrick: I am sure that my hon. Friend's local newspapers will carry his mention of their titles in their copy next week, and that will assist in getting the message across. We have built into the grants to local authorities an element of local communications funding, and it is to be hoped that the local travel authorities will be able to take advantage of that.

Miss Julie Kirkbride (Bromsgrove) (Con): But as my hon. Friend the Member for Vale of York (Miss McIntosh) pointed out, the Government's concessionary scheme does have some malign consequences. In Bromsgrove, for example, the local council has offered free parking to disabled and pensioner citizens, but that has now been put in jeopardy by the cost of the new national concessionary scheme. What do the Government think is better: local determination of transport priorities or their own national schemes?

Jim Fitzpatrick: Travel concession authorities can appeal in a number of ways if they are unhappy with the way in which the scheme is likely to be introduced in their area. There has always been discretion for travel concession authorities to offer a scheme different from the national one. What we are introducing next year, with hundreds of millions of pounds of taxpayers' money, is a de minimis scheme that will apply right across the country for all pensioners and for most disabled people. This is a huge step forward for people right across the UK.

Railway Safety

6. **Ms Celia Barlow** (Hove) (Lab): What assessment her Department has made of the impact on railway safety of deforestation on chalk railway cuttings. [170389]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): As my hon. Friend knows, this is a matter for Network Rail, which tells me that the company's practice is to clear trees where they might endanger or delay trains.

Ms Barlow: Is my hon. Friend aware of the work of Professor Rory Mortimore of the university of Brighton, an international expert on geotechnical matters? In his report relating to my constituency he claims, with a lot of evidence, that because of the limestone structure of the cuttings, this could lead to dangerous slippages. Is the safety of passengers not a matter for my hon. Friend's concern?

Mr. Harris: I am aware of the professor's report; my hon. Friend supplied a copy of it to me during a meeting with her and her constituents, who have expressed concern about this issue. She should be aware—Network Rail has informed me about this—that the part of the cutting in question has been without vegetation for long periods in the past without the consequent slippages that she fears. However, although it is ultimately up to Network Rail, as a private company, to decide how to deal with this matter, I understand that it will have a meeting with her and her constituents later today to try to come to agreement on a way forward. It is incumbent on Network Rail to consult local residents where there is concern about such procedures. However, it is also

incumbent on Network Rail to make sure that the railway is safeguarded and is free from the risk of such slippages. I would trust Network Rail to use its own scientific advice to come to the appropriate conclusions.

Concessionary Bus Travel

7. **Mr. Adam Holloway** (Gravesham) (Con): What estimate she has made of the costs of the national concessionary bus travel scheme for 2008-09. [170390]

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I could refer the hon. Gentleman to the answer I gave a few moments ago. However, in case he was unable to hear that, let me tell him that the Government are providing local authorities in England with an extra £212 million next year for the national bus concession in England. This extra funding is based on generous assumptions about the probable cost impact of the new concession, and we are confident that it will be sufficient in total.

Mr. Holloway: But what the Minister calls generous funding is actually less than the rate of inflation, when the operating costs of bus companies are rising by more than that, so is this not just another example of a scheme whereby the Government get the local council tax payer to fund one of their announcements?

Jim Fitzpatrick: We know that some local authorities are claiming credit for the introduction of this scheme and not giving any credit to Government. We are proud of the amount of money that we are giving, which, as I mentioned, is £212 million this year—it will be £217 million next year and £223 million the year after. Bus operators have the opportunity to appeal if they are not satisfied. So many more people are using buses as a result of our transport policies, and we regard that as a success.

Mr. Philip Hollobone (Kettering) (Con): Would the Minister care to congratulate Conservative-controlled Kettering borough council—of which I am proud to be a member—which is going to build on the Government scheme and ensure concessionary travel for pensioners at peak times too? *[Interruption.]*

Jim Fitzpatrick: I am being encouraged by Labour Members not to congratulate the hon. Gentleman's Conservative local authority, but that would be ungracious, so I congratulate him and his local authority. As I said in answer to the hon. Member for Bromsgrove (Miss Kirkbride), who is not in her place, some travel concession authorities provide more than the minimum scheme that we are introducing; but that minimum scheme is a big step forward on what went before.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister is big enough to deal with matters, and I am delighted that he congratulated my hon. Friend the Member for Kettering (Mr. Hollobone). Will he deal with the question of rural areas and remote villages, where sadly there is little, if any, public transport? How can people in those villages, who often live on their pension or on a very low income, take advantage of this scheme, which I applaud? *[Interruption.]* The hon. Member for Chorley (Mr. Hoyle) knows that I applaud anything good, even if it is introduced by the Labour Government. What will the Minister do for people in rural areas where there is little or no public transport?

Jim Fitzpatrick: The hon. Gentleman is being kind and generous enough to welcome what is being introduced in the Local Transport Bill. We have been doing what we can to support rural communities and rural bus services, and the Bill will deliver even more.

Mr. Speaker: Order. The hon. Member for Gravesham (Mr. Holloway) is a newer Member of the House, but when a question is put he should remain within the Chamber at least until we get to the next one. He is not the only offender I have had to pull up a few over the years.

Stephen Hammond (Wimbledon) (Con): The Minister will, of course, remember that the principle of concessionary travel enjoyed support across the whole House. The key point was how it was to be funded. The trouble is that the Government's sums simply do not add up. The level of increases in extra funding that he is proposing are less than inflation, and he will have received many representations from councils telling him that they will face deficits as a result of the scheme over the next two to three years. For example, Southampton city council estimates a deficit of £1.5 million—before a delayed appeal; the council is reimbursing at 67p in the pound and the operating company seeks 74p. All that will happen in a number of the scheme areas, because the Government have underfunded this, is that council tax will increase by more than 10 per cent.

Jim Fitzpatrick: That is the second time that that figure has been mentioned. Obviously it is a line that has been produced for these questions. As I have said, we are confident that our calculations on the amount of money needed to support the scheme will be more than adequate, and an announcement will be made shortly.

8. **Judy Mallaber** (Amber Valley) (Lab): If she will ensure that the free bus fare scheme to be introduced in April 2008 will include scheduled community transport dial-a-bus and dial-a-ride schemes. [170391]

The Minister of State, Department for Transport (Ms Rosie Winterton): The national bus concession will be available on all eligible, registered local bus services, which can include some—but will include by no means all—community type transport services, for example, services that are provided under a section 22 permit, charge a fare and are open to the general public.

Judy Mallaber: I think that I welcome that answer. The free local bus scheme has been wonderfully effective in our area, and we are looking forward to the national scheme. Will the Minister meet me and other colleagues to prevent the apparent anomaly that someone who is entitled to use the free national bus pass but who cannot do so because they physically cannot get on those buses may not be able to use it on a community transport bus service? Will she confirm that in an area such as Derbyshire, where the community bus services are scheduled, regular and

responsive to demand, such people will be eligible to use the national concessionary bus fare?

Ms Winterton: I would certainly welcome a meeting with my hon. Friend and her constituents to explain the issue. If a community transport service is restricted to a particular group of people—perhaps people with disabilities or elderly people—it would not be eligible under the concessionary fares scheme. However, other community transport schemes are eligible, such as those in rural areas that are demand-responsive so that someone can be picked up at a particular time. Many dial-a-ride services operate in that way.

Mr. David Heath (Somerton and Frome) (LD): I think that I share the puzzlement of the hon. Member for Amber Valley (Judy Mallaber): we are not sure that the Minister's reply is the one that we want to hear. In my area, the Mendip community transport scheme will cease operation next year, apparently because of a lack of funding. That scheme is the only option for many people who have no access to other public transport because it is a very rural area. A concessionary fare scheme is useless without a bus to ride on, so it would be helpful if the scheme applied to community transport schemes of that kind. I ask the Minister to look into that.

Ms Winterton: I am, of course, prepared to look into that. However, I re-emphasise that the changes to be introduced in April will not change the eligibility, so I am not clear why the hon. Gentleman thinks that the bus service will stop because of the new scheme. If a community transport service is open to the wider public, it can participate in the concessionary fare scheme. The Local Transport Bill will make changes that will make it easier for community transport services to operate by, for example, allowing the payment of drivers, which has been widely welcomed by the Community Transport Association because it will make it easier to run the type of services that we are talking about.

Quality Contracts

9. **Mr. Clive Betts** (Sheffield, Attercliffe) (Lab): If she will make a statement on changes proposed to quality contracts in the Transport Bill. [170392]

The Minister of State, Department for Transport (Ms Rosie Winterton): The proposals in the Local Transport Bill aim to make quality contracts a more realistic option for local transport authorities by replacing the "only practicable way" test with a new set of public interest criteria.

Mr. Betts: I welcome that comment, because locally elected integrated transport authorities should be able to choose whether to introduce quality contracts in their area. I wish to press the Minister on the role of the approvals boards, which have been mentioned already. Can she confirm that it will be the job of the approvals board to ensure that transport authorities have gone through the proper process in reaching a decision to introduce quality contracts? Those unelected approvals boards should not have a right of veto simply because they happen to disagree with the decision reached by elected local representatives on the transport authorities that quality contracts are the right approach for bus services in their area.

Ms Winterton: I shall explain how we see the composition of an approvals board. It will include the traffic commissioner, a transport expert from the area and a transport economist. The idea is that the approvals board will ensure that the local authority has gone through the proper process of consultation, but in addition the approvals board process will ensure that the scheme will work in practice, that the economics add up and that it is a viable service for the local area. It is about providing more certainty for local authorities that their decisions will not be judicially reviewed—although that cannot always be guaranteed—and for operators that a new scheme has been subject to independent scrutiny and is likely to operate efficiently.

Railway Overcrowding

10. **Martin Horwood** (Cheltenham) (LD): What recent assessment she has made of overcrowding on the rail network. [170393]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): Existing and future demand for rail travel was assessed in preparing the rail White Paper that was published in July. It was that assessment, and the associated need to tackle existing and potential overcrowding, that led to the capacity enhancements specified in the White Paper.

Martin Horwood: Several times in recent weeks, I have been delayed, squashed, boiled or left standing on the train between Cheltenham and London—an experience that is both common and expensive for many of our rail users. Will the Minister report progress on practical steps, such as the redoubling of the line between Swindon and Kemble, that might improve the situation?

Mr. Tom Harris: Of course I sympathise with the hon. Gentleman's experience, which is shared by many people commuting into London and the larger conurbations around the country, but the Government have committed to invest £15 billion in our railways in the five years between 2009 and 2014. If he wants to hear about practical measures, I can tell him that a rolling stock plan will be published early next year, and that 1,300 new carriages will be rolled out over that five-year period. Depending on the industry's response, I hope that his constituents and the line to which he referred will benefit from that investment.

Topical Questions

T1. [170374] **Andrew Selous** (South-West Bedfordshire) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Ruth Kelly): I am delighted to answer. My Department has recently begun a major consultation on the expansion of Heathrow airport, subject of course to strict environmental limits. It has also invited bids for a new fleet of inter-city express trains. Later this week, I shall meet the US Transportation Secretary to discuss a range of transport issues.

Andrew Selous: What account has been taken of massive Government-imposed house building in the planning of train capacity in towns such as Leighton Buzzard, where the trains are already full?

Ruth Kelly: I hope that is a sign that the hon. Gentleman and his party now support the Government in our attempt to build the houses that first-time buyers so desperately need. Given my experience at the Department for Communities and Local Government and now at the Department for Transport, I can assure him that the two Departments are joined at the hip when it comes to planning for more houses for first-time buyers. It is essential that we build sufficient capacity so that people can travel by train, road, bus or however they want to move around. In that way, we can meet the needs of a growing population, and of those who will live in the houses yet to be built.

T2. [170375] **Mr. Andrew Mackay** (Bracknell) (Con): Will the Secretary of State explain why there are five mothballed platforms on the redundant Eurostar lines out of Waterloo, at a time when my constituents who commute into London from Bracknell are finding conditions so bad and overcrowded? When is she going to do something about that?

The Secretary of State for Transport (Ruth Kelly): I am surprised that the right hon. Gentleman does not know that the property will become available to the Government only in March 2008, or that there will be a substantial infrastructure cost after that date as we remodel the railway to accommodate more domestic rail services. However, the ultimate answer to his question is that we have to invest in capacity. That is why the rail White Paper—which his party unfortunately did not welcome when it was published—proposes that an extra £10 billion be invested in additional capacity on our railways.

Andrew Mackinlay (Thurrock) (Lab): Has the Secretary of State been briefed by the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), about the public commitment given on television last May to me and to my hon. Friends the Members for Basildon (Angela E. Smith) and for Dartford (Dr. Stoate)? We were told by my hon. Friend the Member for South Thanet (Dr. Ladyman), who was then a Transport Minister, that following statutory consultation our constituents would be given a reduction of 90 per cent. on the Dartford toll. Not unreasonably, folk are beginning to ask when the Government will deliver on that commitment. Discuss.

The Minister of State, Department for Transport (Ms Rosie Winterton): As it happens, that is something that I have been discussing recently. I can assure my hon. Friend that I have been looking at a number of the options for the fulfilment of that commitment. We will issue a consultation paper very shortly.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Why has the Secretary of State not been prepared to defend in Parliament her plans for the expansion of Heathrow? That is the third time that she has made what she has claimed to be an important announcement away from the Dispatch Box. Is she simply running scared of answering to MPs who represent people under the flight path, and will she explain why she is proposing to disregard her Department's own report on noise?

Ruth Kelly: I am happy to come to the House at any time to talk about the importance of aviation expansion. Heathrow is subject to strict local environmental conditions. The hon. Lady must know as well as any other Member that our policy was set out in the 2003 air transport White Paper, which supported in principle a third runway at Heathrow, as well as a second runway at Stansted, subject to the strict local environmental conditions being met. Last week, or the week before, we published a rigorous scientific assessment of how those local environmental conditions might be met in certain circumstances. An oral statement is not normally made in such situations; however a written statement was laid in the House, and as the hon. Lady can see I am happy to discuss the issue on any occasion—unlike the hon. Lady, whose policy on it is not actually clear.

Mrs. Villiers: We believe that four key environmental tests must be met before any Government can take a responsible decision on the future of Heathrow. When the Secretary of State's predecessor gave the go-ahead for T5 he stood at the Dispatch Box—at least he turned up here—and promised that flight numbers would be capped at 480,000. Will the Secretary of State admit that thousands who have to live with aircraft noise on a daily basis will feel wholly misled by that statement, which she is consigning to history before T5 is even open for business? Will she confirm that her consultation document contains no clear or credible guarantees on capping the number of flights at Heathrow? Is not the whole consultation a sham, because—

Mr. Speaker: Order. Topical questions are for the benefit of Back Benchers, so I expect only one supplementary from Front Benchers, or two when there is an allocation, but the hon. Lady had about five in there somewhere. The Secretary of State should answer just one supplementary.

Ruth Kelly: I am disappointed not to be given full rein, because I was trying to work out what the policy of the hon. Member for Chipping Barnet (Mrs. Villiers) was—to back or to oppose the third runway, in principle. If she wants to stand up and tell us whether she is backing her right hon. Friend the Member for Wokingham (Mr. Redwood), or indeed—

Mr. Speaker: Order. Those things are not the business of the Secretary of State at the Dispatch Box today.

T5. [170378] **Chris Bryant** (Rhondda) (Lab): I just want to talk rubbish for a moment, if that is okay—*[Laughter.]*—rubbish on the trains. Far too many commuter trains do not have enough capacity for collecting rubbish, so many people throw it out of the window and train companies never pick it up. On inter-city trains, rubbish is picked up at the end of the journey, but even though most of the rubbish is newspapers they are never recycled. Will the Minister write to the train companies to make sure that we have tidy railway lines across the whole country and that we recycle rubbish—even copies of *The Times* and the *Evening Standard*?

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): My hon. Friend knows that I have great respect for his tendency to be able to talk rubbish. He is right; litter can make train journeys far less enjoyable. I do not think it is necessarily the place of Transport Ministers to tell rail companies how to keep their trains tidy, but it is incumbent on the train operating companies to make sure that they do not lose their necessary lead as an environmentally friendly mode of transport. That applies not only to the energy and type of energy used to move the trains; it should also take account of the environment inside trains. My hon. Friend is absolutely correct.

T3. [170376] **Norman Baker** (Lewes) (LD): What can the Minister do to limit Network Rail's unnecessary closures of rail lines for alleged engineering purposes? Does he agree that such closures can be excessive? For example, the line from Three Bridges to Lewes and Brighton was closed for an entire two-day period—a matter that I have been raising with Network Rail since last May although I have not yet received an answer.

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): The hon. Gentleman raises a valid concern. Network Rail's intention is to move towards a seven-day railway, but that will not be possible while possession overruns continue. I was a victim only last month when I was forced to move from a Pendolino Virgin express at Wigan because of a Network Rail possession overrun. Having spoken in detail with Iain Coucher, the new chief executive of Network Rail, I can assure the hon. Gentleman that there are plans to make sure that possession overruns do not occur or that, when they do occur, they are far less frequent, but he is right to raise that concern. We cannot move to a seven-day railway until possession overruns stop altogether.

T4. [170377] **Mr. Peter Bone** (Wellingborough) (Con): Midland Mainline, the excellent train operator that used to run through my constituency, recently lost the rail franchise and now we have East Midlands Trains. I presumed that we were going to get a better service, but what has happened? We have seen a 7 per cent. hike in fares—the highest in the country—a reduction in the number of trains from both Wellingborough and Kettering at peak times, and the abolition of seat reservations for season ticket holders. How will that encourage people to travel by rail?

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): All the patronage predictions for the service that the hon. Gentleman refers to show that over the next seven years there will be an increase in the number of people who want to use it. If he believes that the Government should be in a position to micro-manage the railways, to dictate fares to train operating companies—there is a price associated with that—and to dictate exactly where and when trains should stop, that is an interesting policy, but I suggest that he discuss it with his own Front-Bench team first, because they are absolutely opposed to it.

T6. [170380] **Hugh Bayley** (City of York) (Lab): To be topical, Christmas and New Year are supposed to be a season of joy and good will for all people, but the celebrations come to an abrupt halt for people who are the victims of drunk drivers, for the families of those people, and indeed for the drunk drivers themselves. What will the Government do this year to minimise the number of people who are killed and injured on the road by drunks who get behind the wheels of vehicles?

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): The Christmas drink-drive campaign was launched last week to continue to ram home the message that drinking and driving do not mix. The whole House will agree that, over the last 30 years, drinking and driving has become socially unacceptable. However, as my hon. Friend points out, there are still too many people dying as a result of alcohol-related crashes—some 540 last year. The police will breathalyse twice as many people this month compared with any other month. We are spending £1.6 million on the Christmas campaign. We had a special campaign in the summer, on which we spent £3 million, that focused on young male drivers in particular. We will do everything we can to get the message across that people ought not to drink and drive, particularly at Christmas. I am grateful to him for raising that question.

Susan Kramer (Richmond Park) (LD): The consultation on Heathrow that started last week could result in nearly a doubling of the number of flights. The Department for Transport is setting up a number of public exhibitions, but both Ministers and civil servants have refused to attend a single public meeting. Will the Secretary of State please tell her Department that we live in a democracy, and that when 700 people are probably going to lose their homes and thousands of people their half day of peace, they deserve to have a face-to-face discussion and proper engagement with decision makers? Will she please instruct her Department to agree to come to the many public meetings that are offered?

The Secretary of State for Transport (Ruth Kelly): I congratulate the hon. Lady on having a policy on Heathrow, unlike Conservative Members. At least we know where the Liberal Democrats stand: total and utter opposition to Heathrow—unfortunately with a devastating potential consequence for jobs and the UK economy. But she is right to say that we ought to have maximum public involvement, which is why we are writing to more than 200,000 local residents who might be affected by the changes. My hon. Friend the Aviation Minister has regularly been seeing many of the individuals and groups involved, to give them the opportunity to voice their opposition or put their concerns directly to him and have them addressed.

T7. [170381] **Mr. John Randall** (Uxbridge) (Con): Will the Secretary of State of confirm that she is aware that a third runway at Heathrow will require the biggest removal of people in this country in modern times, and that the community of Sipson will be wiped off the map? Whereabouts in her consultation paper does it suggest where those who are forcibly removed are going to live?

The Secretary of State for Transport (Ruth Kelly): The Tories are so divided on Heathrow that they should call in ACAS. On the one hand, we hear total opposition, and on the other, the Front-Bench team talk about strict local environmental conditions—*[Interruption.]*

Mr. Speaker: Order. I am not going to allow the Secretary of State to talk about what the Front-Bench team have in mind; this is about what the Secretary of State has in mind. These topical questions are for the benefit of Back Benchers.

T8. [170382] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Is the Minister aware that Norfolk is a very isolated county, which relies on the key trunk roads to connect it to the motorway network? The A47, which connects King's Lynn to Norwich in the east and to Peterborough in the west, is a very old road that is in bad need of upgrading. When are the Government going to give it the same priority as roads elsewhere in the country?

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I understand that the project in question has been given priority for expenditure between 2011 and 2015 by the regional transport board in the hon. Gentleman's area. Of course, if other projects drop out of the programme, it is possible that that will be brought forward. We set up the regional funding allocation because we want local politicians to make decisions for their area, and to advise the Department for Transport accordingly. It is better that local decisions be made locally, and it is not incumbent on Ministers to overturn those local decisions.

T9. [170383] **Ann McKechin** (Glasgow, North) (Lab): Does the Under-Secretary share my concerns about recent media reports that certain charter airlines are flying longer distances than is necessary on some routes to avoid more expensive airspace? Does that not have a bad effect on our need to cut carbon emissions?

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): My hon. Friend is right to raise the issue of carbon emissions and aviation. We are leading the argument in Europe and internationally to try to include aviation emissions in trading schemes, so that we make sure that aviation pays the price for its contribution to damaging the environment. She mentions airlines that travel extraordinary distances to avoid paying some charges. That contributes to carbon emissions, and obviously it is not in line with what we would like.

Nimrod XV230

3.31 pm

The Secretary of State for Defence (Des Browne): I am able to inform the House today of the findings of the Royal Air Force board of inquiry on the crash of RAF Nimrod XV230 in Afghanistan on 2 September 2006. First, I know that the entire House will join me in paying tribute to the 14 service personnel who lost their lives in that tragic incident. Our thoughts are with their families and friends, and with the men and women of the armed forces, who I know feel the loss of their colleagues very deeply. I would also like to pay tribute to RAF Kinloss. That close community was hit hard by the Nimrod tragedy, but it has maintained magnificent support for the Nimrod crews deployed in support of operations in Afghanistan.

I remind the House that the purpose of a board of inquiry is to establish the circumstances of the crash and to learn lessons. A board of inquiry is a statutory process under section 135 of the Air Force Act 1955 and is convened for any air accident. It makes recommendations to the chain of command on its findings; it does not seek to apportion blame. I am placing a copy of the board's report in the Library, redacted only to withhold personal information that we are required to protect under the Data Protection Act 1998 and information that could prejudice the security and effectiveness of the armed forces.

The report is a detailed technical document. I am conscious that, in the time available for an oral statement, I will not be able to do justice to all the issues that it raises, so I am making a supplementary written statement that sets out the board of inquiry's conclusions in more detail, along with a summary of its recommendations and the actions taken by the chain of command.

The board established that on 2 September 2006, RAF Nimrod XV230 took off from its deployed operating base at 09.13 hours, Greenwich mean time, on an essential operational flight. The initial stages of the mission appear to have gone according to plan. At 11.11 hours, approximately 90 seconds after completing air-to-air refuelling, the crew experienced almost simultaneous fire and smoke warnings. Smoke was observed in the cabin, and flames were observed from the rear of the engines on the starboard side. Shortly afterwards, the aircraft depressurised. The crew commenced emergency drills and at 11.14 hours transmitted a Mayday alert and turned to head for Kandahar airfield. At 11.17 hours, a Harrier GR7 pilot reported that the aircraft had exploded.

A combat search and rescue team confirmed that there were no survivors. Subsequently, the site of the crash was secured for as long as it was considered safe to do so by a combined force of Canadian and British units. As quickly as possible, the board of inquiry was convened and travelled from the UK to the operational theatre to begin its investigation.

The board of inquiry has conducted a thorough investigation with the material available to it. Throughout this process the board has been assisted by other independent agencies, including two air accident investigators from the air accidents investigation branch of the Department for Transport. It has been unable to identify with absolute certainty the cause of the fire. None the less, the board has deduced the most probable area where the fire started, and the probable causes of the events and factors that led to it.

The board of inquiry concluded that the crash was not survivable. The cause was a fire that most likely resulted from escaped fuel igniting against a hot pipe in a compartment near the starboard wing-fuselage attachment—the No. 7 tank dry bay, not in the bomb bay as some have previously suggested. The fuel probably gained access to the pipe through a gap between two types of insulation. The fuel most likely came from one of two sources: a pressure-relief device in the main fuel tank, which may have released fuel during air-to-air refuelling, or a leaking fuel coupling.

It is clear that the crew of Nimrod XV230 faced a series of complex and demanding emergencies. Throughout this incident they acted in an exemplary manner, calmly performing drills initiated by their captain in an attempt to save their aircraft. All are a credit to their respective services and to their families. I am sure the whole House will join me in honouring their bravery and their professionalism.—[Hon. Members: "Hear, hear."]

This was a tragic accident, but there were a number of contributory factors that the board has identified. Both fuel and hot air components are present together in the No. 7 tank dry bay. The underestimation of that hazard was considered by the board as a contributory factor. Further possible contributory factors that could not be discounted and which are subject to further investigation include the fuel and hot air systems maintenance policy, the age of some of the component parts, the lack of a fire detection and suppression system within the No. 7 tank dry bay, and the failure to consider the cumulative effects of a number of changes to the air-to-air refuelling capability when it was formally incorporated into the aircraft in 1989.

The board found no evidence that the maintenance or servicing conducted on the aircraft was a cause or contributory factor in the loss of XV230. It also concluded that, while the continued commitment to long-term operations places pressure on the Nimrod force, there was no evidence that this was a cause or factor in the loss of the aircraft.

It is clear to me that some of the findings of the board of inquiry identify failings for which the Ministry of Defence must take responsibility. On behalf of the MOD and the Royal Air Force, I would like to say sorry for those failings to the House, but most of all to the families of those who lost their lives.

At the time of the accident, the Department took action to ensure that a similar scenario could not occur again on the Nimrod aircraft. Those measures have been revised as the board's findings have emerged. The chain of command has accepted the majority of the board's recommendations and continues to pursue the outstanding recommendations made by the board to enhance the safety of our aircraft.

The hot air system remains switched off so that there is no hot pipe against which any fuel could ignite, and we have an enhanced inspection regime to examine for any sign of fuel leakage. QinetiQ has conducted an independent investigation into the fuel system and confirmed that, in light of the measures taken since the

[Des Browne]

crash, the fuel system is safe to operate. Air-to-air refuelling has also been suspended subject to further investigation. The Chief of the Air Staff's professional judgment is that the Nimrod fleet is safe to fly. I have accepted his advice.

By its nature, the board was not in a position to go into the history of those arrangements or to assess where responsibility lies for failures. I do not underestimate the difficulties that face those responsible for assuring aircraft safety. Flying will never be risk-free. But I do believe that the families of those who died are due more of an explanation of the history than the board of inquiry could be expected to provide. I have therefore decided to put in place a review of the arrangements for assuring the airworthiness and safe operation of the Nimrod aircraft over its service life; to assess where responsibility lies for any failures; to assess more broadly the process for compiling safety cases, taking account of best practice in the civilian and military world; and to make recommendations.

I intend that the review should be led by a senior Queen's counsel assisted by technical experts on aviation systems, who will examine all relevant papers and interview all those in a position to assist. BAE Systems, the aircraft designer, and QinetiQ, which supported the Department in consideration of the safety case findings, have agreed that the review will have their companies' full co-operation. The review will be able to recommend a full public inquiry if that is considered necessary and will keep the families of those who died informed of progress. We will publish the findings of the review, subject to considerations of operational security. I shall make a statement shortly confirming the membership and terms of reference of the review.

All the families have already received lump-sum payments through the armed forces pension scheme or the armed forces compensation scheme and, where appropriate, ongoing pensions are now in payment. However, we are also in contact with lawyers representing a number of the families over additional claims for common law compensation. I have directed that those claims be assessed and settled as quickly as possible and I have directed that substantial interim payments be made to those families where appropriate.

I recognise that the board of inquiry report will be painful reading for many, but I hope that the families and friends will take some comfort in finding answers to many of the questions that arise after an incident such as this.

Mr. Gerald Howarth (Aldershot) (Con): I thank the Secretary of State for advance sight of his statement and for the briefing earlier today.

This is a grim day. I echo the Secretary of State in conveying the profound condolences of my right hon. Friend the Leader of the Opposition and all Conservative Members to the families of those who lost their lives in this tragic incident, and in paying tribute to the immense courage and professionalism of the crew of Nimrod X-ray Victor 230, who gave their lives in the service of our country. Their role, and that of their fellow Nimrod crews, continues to be vital for military operations.

The tragedy should bring home to the nation the very real sacrifices being made on its behalf by the men and women of our armed forces, not least in the Royal Air Force, whose fixed-wing and helicopter crews are constantly exposed to danger on operations in Afghanistan and Iraq. I also thank the board of inquiry for completing an extremely thorough job in very demanding circumstances. Although it is clear that the board has been unable to establish definitively the cause of the crash, its analysis would seem to be as accurate as it is possible to be.

Two key issues arise. First, although the age of the aircraft itself may have been ruled out as an issue, the systems failures are clearly a factor of age and maintenance. With on average 40 fire-related incidents a year for the past 20 years and 52 fuel leaks in a six-month period last year, both the Royal Air Force and the manufacturer were acutely aware of the potential hazards arising from the Nimrod's ageing systems. Secondly, the aircraft should have been replaced by the MRA4 four years ago. It is nothing short of a scandal that the new aircraft will not enter service for at least another four years.

As the Secretary of State confirmed, the report is detailed. Many detailed technical questions arise, but I shall confine myself to just six. First, why was the recommendation, made by BAE Systems in 2004, to install a hot air leak warning in the location of the hot air ducting rejected following an earlier incident involving another Nimrod? Secondly, is it true that the investigation carried out last year by QinetiQ found that repair teams were using out-of-date manuals and equipment, and that there was

"considerable loss of expertise and experience as trade specialists have left the team"?

If so, is not that an example of the dangerous run-down in Royal Air Force numbers, which are now 1,500 below strength?

Thirdly, since the hot air pipe running past the No. 7 fuel tank was effectively redundant because the requirement for an on-board systems cooling had reduced, why was not it removed or rendered inoperable before now?

Fourthly, the board finds that the fuel and hot air systems maintenance policy was a contributory factor to the loss of the aircraft. Why has guidance on ageing aircraft systems, which was recommended in 2006, not been issued?

Fifthly, if all air-to-air refuelling involving Nimrod aircraft is suspended, does not that seriously inhibit the aircraft's ability to carry out its vital role in Afghanistan?

Sixthly, how does the Secretary of State intend to manage with the elderly fleet for the next four years, as fuel leaks continue to increase?

Does this tragic incident reveal the underlying truth: our armed forces are operating at a tempo well in excess of that for which they are resourced? I hope that the Secretary of State can dismiss as wholly untrue today's press reports that the Prime Minister is looking for a further £15 billion of cuts to the defence budget.

Today, every serviceman and woman, together with their families, will look to the Secretary of State, in exercising his duty of care towards them, to stand up for them and demand that they have the resources to do the job.

Des Browne: First, may I thank the hon. Gentleman, who has an appreciation from his own service of the challenges that the Royal Air Force faces and the risks that are associated with the job that it does? His words will be welcomed by the RAF and especially by the families and communities that support it. They are appropriate words to recognise the scale and nature of the sacrifice that people are prepared to make and the challenges that they are prepared to face. I thank him for them.

The hon. Gentleman asked about the age of Nimrod, which, as he knows from the detailed briefing that he received, the board of inquiry raises and believes to be, in a limited respect, a contributory factor. The key issue, as I am sure he knows, about an aircraft is whether it is fit to fly. The board of inquiry confirmed that the Nimrod has a very good safety record overall. That is incontrovertible. As I said, the board of inquiry identified age as a contributory factor, but we need to consider that in the context of the whole report. It identified two components, whose condition may have been affected by age. Since the incident, the important thing is that we have removed the hazard by turning off the source of ignition, without which a fire is not possible.

I did not recognise the circumstances that informed the hon. Gentleman's first question, but that may be a failing on my part. As with several questions that he poses, I am sure that he accepts that it falls squarely in the remit of the review that I have announced today. Those questions are entitled to an answer. They cannot be answered by the BOI and should be answered by a process of independent investigation, and I have therefore set up the review. The questions will be passed on directly to the principal reviewer when he is appointed. Indeed, any other questions that Opposition Front Benchers identify as needing to be asked should be fed into the process in due course.

In dealing with the comprehensive questions that the hon. Gentleman posed, let me deny that there is any truth in the story in the media this morning to which he referred. There is no truth in it.

On the basis of the BOI report and its conclusions, the three matters that one could have identified as contributory factors as a consequence of resources were considered and specifically said not to be contributory factors to the accident. They were: maintenance—not the system or policy of maintenance, but maintenance itself; servicing the aircraft; and operational pressures, about which the hon. Gentleman made, with all due respect to him, inappropriate observations. Those matters were all considered by the BOI, in an entirely independent fashion, not to have been contributory factors in the accident.

Finally, the hon. Gentleman raises the issue of operational effectiveness in the absence of air-to-air refuelling. That will of course restrict the amount of time for which the Nimrod can fly, but it can fly for nine hours without such refuelling. As he knows, other ISTAR—intelligence, surveillance, target acquisition and reconnaissance—resources are being deployed to the operational theatre that could be used to gain the information that operations require.

Willie Rennie (Dunfermline and West Fife) (LD): I wish to express my condoiences and sympathy to the family and friends of the fallen servicemen. The 14 men deserve our utmost gratitude and admiration for their service to the country.

I commend the Secretary of State for the way in which he delivered the statement: he always gets these situations right and strikes the appropriate tone.

I welcome the statement and the board of inquiry report, which is comprehensive and detailed. However, 14 months is far too long to wait, especially given that there is to be a further inquiry into this incident. That has not been fair on the families, who wanted earlier answers. Can the Secretary of State assure us that such delays will not be repeated in future?

Why were the warning signs—the significant increase in coupling and seal leaks in recent years, the blow-off fuel from tank No. 1 draping the side of the aircraft in previous sorties, and the gaps in insulation of the hot air piping—not heeded? Is not that a failure of the process rather than individual judgments?

I welcome the Secretary of State's announcement of a review, which should help to provide some of the answers that the board of inquiry was unable to provide. Fundamentally, however, why are we still relying on an aircraft design that is almost 40 years old, is based on a failed civilian version and was originally intended for hunting Russian subs? Was the in-service date for the new MRA4 delayed because of failures by Ministers to make a decision? Are not the Government forcing the ethos of the armed forces to change from "can do" to "make do"?

Des Browne: I thank the hon. Gentleman for his words of condolence and support for our armed forces, particularly for those most directly associated with the Nimrod force, who will find them welcome.

As I explained, the board of inquiry process is a creature of statute. It is required to take place, it is instructed by the commissioning authority, which is the command of the RAF, and it is entirely independent of Ministers and should continue to be so. It is an important process as it stands in that environment, uninfluenced by Ministers. I am not in a position to give the hon. Gentleman assurances in relation to the length of time that the board of inquiry has taken—about 14 months, as he said. As he will be aware, the commissioning authority reconvened the board when it had reported because there were unanswered questions that it wished to have answered. That is entirely how the process is intended to work. It is self-contained and does not report until it is complete. That is in the control of the board, and so it should remain.

Nobody should infer from what I have said that there is any criticism of the way in which the board of inquiry conducted its affairs or the time that it took. This was a very complex inquiry with a very small amount of evidence, and I think that it has done an absolutely excellent job with the evidence that was available in working out what most likely happened to

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the Nimrod XV230. I do not think that there is any room for saying that if it had done it more quickly it would have done a better or more appropriate job. I hear what the hon. Gentleman has to say about failures. He expresses in different words the failures identified by the BOI and that raise the questions required by the supplementary review.

I would like to deal with an issue raised by the Opposition Front-Bench spokesman that I did not address—the in-service date for the replacement MRA4. That has been delayed by about seven years. The principal reason for the delay has been technical challenges in the design and production of the MRA4, and we have had to extend the period of service for which we plan to keep the present MR2 fleet in use. I have to say, however, that despite the age of this aircraft, it is still considered to be the premier maritime patrol aircraft in the world. In other air forces around the world, older aircraft are performing perfectly good jobs.

The age issue is relevant, as the board of inquiry identifies, but the most important question is whether the aircraft is fit to fly. Not only because of its very good safety record, but because of the application of the recommendations of the board of inquiry and the lessons learned from it, and the institution of further safety measures that have taken place as a result of our increasing knowledge—particularly of this incident—I am absolutely clear that the aircraft is airworthy and is fit to fly.

John Smith (Vale of Glamorgan) (Lab): I thank my right hon. Friend for his statement, and I concur with everything he said about the bravery of the RAF crew. There is nothing new in the use of ageing aircraft, or the considerable extension of the life of aircraft, but by definition, older aircraft are harder to maintain, and the propensity for accidents to occur becomes greater. I wonder whether my right hon. Friend is in a position to do anything to bring forward the in-service date for the replacement of the Nimrod.

Des Browne: I thank my hon. Friend for reinforcing a point that I have now made twice, but which bears repeating. The calendar age of an aircraft is not an indicator of its operational utility, its condition or its remaining service life. The Nimrod is maintained to strict standards and if we did not have confidence in the aircraft, we would not allow it to fly. Moreover, it is common practice in military and civil aviation for what are known as ageing aircraft audits to be carried out to ensure the structural integrity of the airframe of an aircraft. A Nimrod audit was conducted in 1993 and reviewed in 2003. That process takes place every 10 years, and as an additional safety measure, we are extending the scope of the audit to consider the age of the internal components of the aircraft, such as the fuel system, as well as its structure.

As for the replacement Nimrod MRA4, the in-service date is still 2010. I have explained the reasons for the delay in bringing it into service. Although that is disappointing, it has been necessary to ensure that the technical issues that arose were resolved prior to production of the aircraft, which began last year. I am not in a position to suggest to the House with any confidence that that date could be brought forward, given that production of the new aircraft started only last year.

Mr. James Arbuthnot (North-East Hampshire) (Con): We have heard of the lack of a fire-detection and suppression system. Will the Secretary of State tell us what the review will cover? Will it be limited to the Nimrod aircraft, or will it also cover things like explosive suppressant foam in this and other aircraft?

Does there not seem to be a difference in approach to the safety issues that face us? When danger is discovered on the railways, no expense is spared to put everything right as early as possible. Is there a difference in approach when it comes to dealing with the armed forces? I hope that there is not. Will the review cover lots of different types of aircraft, and what will be the criteria on which the Secretary of State accepts or rejects any call for a public inquiry?

Des Browne: The issues that the right hon. Gentleman raises in relation to fire detection and suppression will of course be part of the review. Given the probable cause of the accident, had the risk from the hot pipe in that void of the aircraft been correctly estimated, it is almost certain that a range of options to reduce the likelihood of a fire would have been considered. The options may have included redesign, to fit a fire suppression system in the dry bay, as it is known, but it is much more likely that action to prevent the risk by removing the potential ignition source would have been taken, and that is exactly what we have done since the loss of the XV230.

The right hon. Gentleman asked whether such events are responded to appropriately when they occur. The decision to shut off that source of ignition was taken within a matter of days of the loss. There have been ongoing changes in relation to the safety of the aircraft in response to information as it emerges. We did not wait until the board of inquiry reported.

It is not my intention to conduct a wide-ranging review beyond the circumstances of this incident for a very good reason: I am conscious that part of the purpose of the review is to answer the questions that the families have, which are revealed by the board of inquiry. I am anxious—I have spoken to some of the families today, who also expressed this anxiety, which is perfectly understandable—that we should not have a process that delays the point at which they can achieve closure on the events, start to deal with their grieving and move on with their lives. I am very conscious of that. A further inquiry would of course be expected in the form of a coroner's inquest into the incident. I am sure that the right hon. Gentleman will understand that I shall have to balance all those considerations.

In answer to the point that the right hon. Gentleman raised about whether we are concerned that the failings in the analysis and in the safety case for the Nimrod may have been repeated in other aircraft, we have asked those who have responsibility for safety cases to review them all in the light of the findings of the BOI, to ensure that there are no such failings in safety cases for other aircraft.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I understand hon. Members' concerns and interest in this statement, but I ask for a single question and a single response, so that more may put their questions.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I welcome the Secretary of State's expressions of sympathy for the bereaved families in their dreadful loss. He is aware that they are looking for openness and transparency, yet were not included in the board of inquiry process. Will he therefore consider providing reasonable legal costs for those families, so that they can be represented at the inquest into the deaths on an equal footing with the MOD?

Des Browne: Because of the nature of a board of inquiry, it would have been entirely inappropriate for the families to be engaged in the process in the way that my hon. Friend suggests they could have been. The purpose of the board of inquiry was to identify what had happened and what lessons could be learned from that, in relation to the causes of the accident. I will consider to the issue that she raised in relation to the coroner's inquest. I am conscious that coroners are independent of Government and that the process of a coroner's inquest is designed to proceed in a particular way. I do not want to make decisions that change the character of a coroner's inquest for reasons to do with the circumstances of an individual case, but I will give the issue some consideration.

Angus Robertson (Moray) (SNP): I thank the Secretary of State for the advance copy of his statement and for the Ministry of Defence's efforts in briefing the families and parliamentarians today. I also welcome the review that he initiated in his statement. The inquiry confirmed that the crew did everything that they could in the circumstances to save the aircraft. They were brave professional aviators to the last. That is recognised at RAF Kinloss, and by the entire service and civilian community in Moray. We pay tribute to the crew today.

The inquiry has found that the age of the Nimrod aircraft was a possible contributory factor to the crash in Afghanistan. That is a serious cause for concern as it impacts on the rest of the fleet, which is nearly 40 years old. Only recently, another Nimrod aircraft suffered a serious fuel leak and it has proved impossible fully to understand why it happened. It is also a cause for concern that the inquiry confirmed the loss of experienced engineering personnel from RAF Kinloss. Will the Secretary of State confirm that the Ministry of Defence will do everything in its power to restore confidence in the Nimrod fleet, which performs such a vital military role?

Des Browne: I thank the hon. Gentleman for his question. I also pay tribute to him as the MP for the area in which RAF Kinloss is based for supporting those families and the community through a very difficult time and for the very responsible and professional way in which he has dealt with me over this very difficult issue. I have no hesitation in giving him the reassurance that he seeks. The safety of those who fly in these aircraft is our priority; it is not secondary to any other consideration. I have given careful thought to the issue of age and to all the other issues identified in the BOI as contributory factors. I am assured—and I accept those assurances—by those who have the vast technical ability and experience to understand these matters, and having gone into them in detail myself, that this aircraft is safe to fly and airworthy. I would not allow it to fly if I did not believe that to be the case.

Andrew Miller (Ellesmere Port and Neston) (Lab): May I welcome my right hon. Friend's statement about the inquiry, in which he said that all those in a position to assist will be interviewed? Will he confirm that that includes all service personnel who have relevant information and, indeed, ex-personnel who flew Nimrods in similar circumstances in the past?

Des Browne: I understand my hon. Friend's point. Part of the reason for making this announcement is that, around this terribly tragic incident and in the time it has quite properly taken the BOI to come to its conclusions, there has been a lot of speculation and partial leaks of bits of information into the public domain. I know that some of it has been extremely distressing for the families involved. I am seeking to provide an independent comprehensive process of assurance to the families and others that the questions they want answered can be answered. I believe that that process can answer those questions and I am sure that a number of people will want to contribute to it. It is not for me to describe in detail from the Dispatch Box absolutely everybody who should be allowed to contribute to the process. The reviewer and those who support him will have to make that decision, but I am absolutely certain that he will want to speak to the category of person that my hon. Friend identified.

Mr. Bernard Jenkin (North Essex) (Con): When we hear, as we did from my hon. Friend the Member for Aldershot (Mr. Howarth), explanations of the cost pressures on the number of personnel involved with maintenance and when we hear that decisions to fit fire-suppressant kits had not been followed through, it is very hard for Members to accept that cost has had no bearing on the maintenance of this aircraft. Will the Secretary of State explain what he meant when he said earlier:

> "The chain of command has accepted the majority of the board's recommendations and continue to pursue the outstanding recommendations"?

What does he mean in particular by "pursue the outstanding recommendations"? Why have all the recommendations not been accepted, or are there cost implications for them as well?

Des Browne: The hon. Gentleman will have time to read the BOI report in due course. All I am doing in this statement is reporting on that report. The three possible sources of contributory factors—maintenance, servicing and operational pressures—that could have been created by cost pressures have been discounted by the BOI. I have already said and will not repeat where the failings lie. In my view, those failings are best pursued in terms of investigation through the review that I will set up. That review will go back a considerable distance because it will need to. It will, of course, be open to the reviewer to consider where decisions may have been made in relation to cost.

[Des Browne]

There were 33 recommendations, 21 of which have been accepted outright by the chain of command and the implementation of eight of which is being actively considered. Four have not been accepted. On recommendation 5—a recommendation to determine the specific life of fuel seals—the judgment was that a better precaution would be to take mitigating action through an improved inspection regime and a targeted seal replacement programme. Experience shows that the life of seals varies, and that simply replacing the seals at an arbitrary point may introduce more problems and have a detrimental effect on safety. One recommendation, on the utility of parachute escape on a Nimrod aircraft, is not being pursued as it is not considered feasible. Recommendation 20, to review the design of the No.1 fuel tank, is not being pursued because it has been addressed by the limiting of the amount of fuel in the tank. Recommendation 28, to increase the stock of BOI kits, is not being pursued because BOI kits are available from other sources.

Mr. Kevan Jones (North Durham) (Lab): I welcome the announcement of the review. Along with other members of the Defence Committee, I met Nimrod crews in Kandahar earlier in the year. They are doing a tremendous job in very difficult circumstances. I also welcome the announcement that the families will not have to fight for compensation through the civil courts, and that the Secretary of State wants to settle very early.

Rumours are circulating in the aviation press that both BAE Systems and QinetiQ informed the MOD about the fuel problem two years ago. When the review takes place, will those rumours be thoroughly investigated? If they are accurate, we need to know why no action was taken, and also why the individuals concerned made that decision.

Madam Deputy Speaker: Order. I asked for single questions.

Des Browne: There is a very straightforward answer to my hon. Friend's question. That is exactly the sort of issue that the review will have to investigate.

Mr. Julian Brazier (Canterbury) (Con): The review is of course welcome, but will the Secretary of State address himself again to the point made by my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) about fire suppression systems? In particular, will the inquiry be able to examine American practice in this context?

Des Browne: I believe that the terms of reference of the review will specifically require it to look beyond our shores—beyond civil and military aircraft in the United Kingdom, and into the international field—when considering what recommendations to make.

Mark Hunter (Cheadle) (LD): Will the Secretary of State acknowledge that the new generation of Nimrod aircraft being built in Woodford, in my constituency, are technically and operationally far superior to the aircraft currently in use? Given the present operational difficulties and resulting bad publicity for the aircraft, has he a message for the 1,200 dedicated workers who are employed on the new MRA4 project?

Des Browne: The new MRA4 is exactly that—a new aircraft, which has been mostly designed as new from first principles. It has modern design features and safety standards including complete refurbishment of the fuselage structure, bomb bay doors and tail assembly, along with other significant safety features. Moreover, 94 per cent. of the parts are new, compared with those of the MR2. I understand that the aircraft is now in production. Testing and commissioning processes will then be necessary. From the information I have received—this is why I signed a production contract last year—those responsible for construction have faced significant technical challenges, but have overcome them and will be producing a world-class aircraft.

Mr. Crispin Blunt (Reigate) (Con): We are all desperately sorry about the 14 servicemen who lost their lives in this incident. The Secretary of State has come to the House to apologise for specific failings which he has identified, and for which the Ministry of Defence must take responsibility. What are they?

Des Browne: They are the failings that are spelt out in the BOI report, which I listed in short in my statement. They can be found in more detail in the expanded statement that I have placed in the Library of the House, and which will be available to Members. They are specifically failings in relation to the failure of the safety case to identify the nature of the hazard of the collocation of the hot pipe and a possible fuel leak.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Secretary of State has confirmed that the fire-suppressant system lies at the heart of the inquiry, but bearing in mind that there are more than 40 fire-related or smoke-related incidents every year on Nimrods, surely the Secretary of State owes it to the House—and, indeed, the RAF—to explain why not one, but two, reports highlighting the problems and dangers as a result of the absence of a fire-suppressant system were ignored. The Government should come clean and say why those important reports were ignored.

Des Browne: Let me say two things to the hon. Gentleman. First, there have been fires on board Nimrods—there is no question about that—but this is the only incident of a fuel fire on board a Nimrod. Secondly, the hon. Gentleman ought not to leave the House with the impression that there are no fire-detection and suppression systems fitted to the Nimrod MR2, because there are: it contains a number of fire-detection and suppression systems, which are fitted as appropriate to areas of the aircraft where a potential fire hazard has been identified. Now that the BOI report has been completed, the Nimrod IPT—integrated project team—will consider forms of hazard investigation as part of the Nimrod safety case. If there was indeed a failure to fit fire-suppressant systems to the bomb bay—and I do not accept that that was a failure—that will be just the sort of issue that the review will need to look at. That is precisely the sort of question it must answer, and it would be inappropriate of me to anticipate the outcome of the review.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The Secretary of State is aware that Europe is trying to have a military aviation authority. Will he explain why

Rolls-Royce, which has been pushing the Government to accept this standard for years, has been ignored? Will the Government sign up to the European military aviation authority, to bring military aircraft in line with civil aviation? If there is a problem, what is it? Will the Minister sign up to this as soon as possible?

Des Browne: I shall consider the issue the hon. Gentleman raises. I am not in a position today to give him a detailed response, but I shall write to him on it.

Mr. Peter Bone (Wellingborough) (Con): I congratulate the Secretary of State on the way in which he has made the statement today, and also on the fact that he has highlighted the bravery and professionalism of the crew. All parents of RAF personnel are concerned when their children go into fields of operation. We are very proud of their bravery, but we expect the Government to do everything they can to make the equipment as safe as possible. I note that the Secretary of State said in the statement that the age of some of the components might be related to the accident. Has he instigated a programme of speeding up the replacement of components?

Des Browne: In respect of those components that were identified as aged and that might have been contributory factors, we have instituted specific changes to the maintenance and inspection policy. I thank the hon. Gentleman for his words of support for a service that I know is close to his heart for the very obvious reason he explained.

Opposition Day

[3RD ALLOTTED DAY]

Political Parties (Funding)

Madam Deputy Speaker (Sylvia Heal): We now come to the debate on the Opposition motion on the funding of political parties. Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.18 pm

Mr. Francis Maude (Horsham) (Con): I beg to move,

That this House notes with concern the corrosion of public trust in democracy following the recent succession of scandals over the funding of the governing political party; regrets that a comprehensive package of proposals to reform electoral law was not achieved by the inter-party talks owing to the refusal of the Secretary of State for Justice and the Labour representative, Mr Peter Watt, to accept a comprehensive cap on donations; observes the unhealthy increase in back-door state funding through the £6 million of funds allocated to special advisers and the funding of over 3,000 press and communications officers across Whitehall and its quangos; asserts that the Communications Allowance is an unhealthy extension of taxpayer funding for party propaganda that advantages the governing party; and calls for a comprehensive package of reforms to restore public trust and to support a vibrant local democracy and voluntary activism, which must include an across-the-board cap and annually a genuine individual choice for union members on whether they wish to donate to their favoured political party.

This motion is in two parts. The first refers to the current admitted lawbreaking, and the second refers to the need for—

Mr. Siôn Simon (Birmingham, Erdington) (Lab): Will the right hon. Gentleman give way?

Mr. Maude: I would like to finish my first few sentences before giving way, if the hon. Gentleman will permit me to do so. I shall then be happy to give way.

The second part of the motion refers to the need for comprehensive reform of party funding to restore public trust in the political process. It is important to separate the two parts. The fact that one party admits having broken the law, as it stands, is no reason—

Mr. Simon: Will the right hon. Gentleman give way?

Madam Deputy Speaker: Order. It is very obvious that at this moment in time the right hon. Gentleman is not giving way.

Mr. Maude: The fact that one party admits having broken the law is no reason to change the law. The events to which I shall return in a moment provide no reason to reform the law—it should merely be complied with. Let us be clear that we are not talking about oversights or late declarations. We know that such things happen—they probably always will—and no system is perfect.

The Secretary of State for Justice will doubtless say that all this is being inquired into. That is meant to be reassuring, but one of the inquiries is being undertaken by a former Labour party general secretary—so we know that it will be totally impartial. Another inquiry is to be carried out by the former Bishop of Oxford. Although he is undoubtedly admirable and intelligent, this situation is the last refuge of the desperate. I doubt

[Mr. Maude]

that when he was appointed to the Bench of Bishops he was told that he would need to be qualified in electoral law and forensic accounting.

Mr. Simon: Will the right hon. Gentleman give way?

Mr. Speaker: The right hon. Gentleman is not going to give way.

Mr. Maude: We wish the former Bishop well as he endeavours to peel away the layers of onion skin to disclose whose money this really was and how many people knew that the donations from Labour's third largest donor were being illegally declared.

Let us consider Mr. Mendelsohn, who was personally appointed by the Prime Minister to raise money for the election that never happened. We are told that Mr. Mendelsohn sat next to Mr. Abrahams at a dinner in April, and according to Mr. Abrahams he knew at that time that the donations were being hidden. Mr. Mendelsohn admits that he knew, albeit from a later date, that the source of the donations was being hidden, but he maintains that he did not know that that was illegal, although he was uncomfortable—

Ian Lucas (Wrexham) (Lab) *rose—*

Helen Jones (Warrington, North) (Lab) *rose—*

Mr. Maude: I shall give way in a moment. So uncomfortable was Mr. Mendelsohn that a mere two and a half months later he wrote a letter—not to the Electoral Commission, as one might have expected, but to Mr. Abrahams. He says that he did so as a prelude to putting matters right. It was doubtless coincidental that the letter was sent on the very day that *The Mail on Sunday* contacted Labour with evidence of the lawbreaking.

Ian Lucas: I am most grateful to the right hon. Gentleman for giving way. On the question of illegal donations being made to political parties, will he confirm that Lord Ashcroft is domiciled in the UK for tax purposes and can therefore lawfully make donations to the Conservative party?

Mr. Maude: I can confirm unequivocally that any donations made by Lord Ashcroft or any companies associated with him are entirely permissible. I just say to the hon. Gentleman that he should be a little careful where he is going—*[Interruption.]*

Mr. Speaker: Order. Let the right hon. Gentleman speak.

Mr. Maude: Only one party is being accused of lawbreaking and only one party's leader has admitted that the law was broken—just in case the hon. Gentleman has not got the message, it is his party.

Ian Lucas: Let me be clear that I am accusing the right hon. Gentleman's party of lawbreaking, because Lord Ashcroft is not domiciled in the UK for tax purposes and is therefore a foreign donor. Will the right hon. Gentleman confirm whether or not Lord Ashcroft is a foreign donor?

Mr. Maude: Just in case the hon. Gentleman did not hear it, I said I can confirm that any donations made to the Conservative party by Lord Ashcroft or his companies are completely permissible, properly declared and on the record. The leader of the hon. Gentleman's party—the Prime Minister—who promised that things were going to be cleaned up has admitted that his party broke the law.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): The right hon. Gentleman will no doubt have seen the article in *The Daily Telegraph* today by Rachel Sylvester in which she says that yesterday she made a telephone call to ask whether Lord Ashcroft is resident in this country and whether he pays tax in this country. Rachel Ashcroft—*[Interruption.]*

Mr. Speaker: Order.

Sir Gerald Kaufman: Thank you, Mr. Speaker. Rachel Sylvester, a journalist for a Conservative newspaper, says that the public has the right to have precise answers to those two questions. So without dodging or evasion, are the answers yes or no?

Mr. Maude: I could scarcely have been more unequivocal than I was. If the right hon. Gentleman has evidence of any impropriety, he will no doubt provide it. The simple fact is that there is no evidence: our donations have been properly made and properly declared, and all have been made by permissible donors.

Mr. John Spellar (Warley) (Lab) *rose—*

Mr. Simon: Will the right hon. Gentleman give way?

Hon. Members: Give way!

Mr. Speaker: Order. We are having a debate, but it is getting far too noisy in the Chamber, and that is unfair to the right hon. Gentleman who is speaking—*[Interruption.]* Order. Others will seek my protection if they are shouted down.

Mr. Maude: If further interventions from Labour Members are of the same quality, I would prefer not to waste the House's time.

Angela Browning (Tiverton and Honiton) (Con): Does my right hon. Friend share my concern about the potential tax liability of people who have, knowingly or unknowingly, received moneys from Mr. Abrahams in a potential partially exempt transfer, or have a matter to report to the Inland Revenue in terms of their own tax affairs? Are they not now in a very vulnerable position as a result?

Mr. Maude: My hon. Friend makes the point clearly that when it comes to concerns about propriety only one party has admitted breaking the law—the Labour party—and that has many more ramifications.

Mr. Keith Simpson (Mid-Norfolk) (Con): My right hon. Friend should continue with his forensic analysis. It is obvious that the Labour party Chief Whip has got the rough trade out, but they are cocking it up.

Mr. Maude: Well—

Mr. Simon *rose—*

Mr. Maude: I do not think that my hon. Friend meant that rough, but he has given great offence to the hon. Member for Ealing, North (Stephen Pound), who is very sorry to be left out. I shall respond to my hon. Friend's invitation to continue, although I understand why Labour Members want to distract attention from their current concerns. That is understandable, but they will not get away with it.

The most unbelievable part of the saga is the contention that neither Jon Mendelsohn nor Peter Watt knew that the practice was illegal. I have to say that that is literally incredible. The requirement to disclose the identity of donors was the central feature of the 1999 Bill that became the Political Parties, Elections and Referendum Act 2000, and that is not some arcane technicality, byelaw or obscure rule. The breach of that requirement is a criminal offence, and anyone involved in political fundraising knows that. It is page 1 of the fundraising manual. Labour functionaries know that; after all, they publicly complain about donations made by—

Mr. Simon: Will the right hon. Gentleman give way?

Mr. Maude: It may be that the point that I am about to make is the one about which the hon. Gentleman is so excited.

The Labour party has publicly complained about donations made by unincorporated associations, such as the Midlands Industrial Council, although those arrangements are signed off by the Electoral Commission and the membership of the MIC has been made fully public. Despite that, Labour made a complaint to the Electoral Commission and received a response. A letter to the then Labour party chairman from the commission cleared donations by the MIC and explicitly referred to the central legal requirement that no one in the Labour party now claims ever to have heard of. The letter was sent in October last year, and states that the Act

"requires that where a donor passes a donation to a political party via an agent, the agent must tell the party the original donor's details so that the party can, first, establish that the donor is a permissible donor...and second, record the donation with the Electoral Commission as coming not from the agent but from the original donor."

Now, it is possible that the letter went only to the chairman of the Labour party and was not seen by the then general secretary or by anyone involved in fundraising and that they have all been operating in complete ignorance of what I repeat is a central provision of the 1999 Bill.

Stephen Pound: Will the right hon. Gentleman give way?

Mr. John Redwood (Wokingham) (Con): Will my right hon. Friend give way?

Mr. Maude: I do not want the hon. Member for Ealing, North (Stephen Pound) to feel left out, so I shall give way to him first.

Stephen Pound: I am grateful to the right hon. Gentleman for giving way. To be described as "rough trade" is rather a step up for me. He has been speaking about the transparency of donations. Many of us were amazed to hear about the Midlands Industrial Council, from which many Opposition Members receive as much as £20,000 a year. In the spirit of frankness that he is espousing, will he support the release of the names of all the members and donors of the MIC?

Mr. Maude: I am afraid that the hon. Gentleman will have to go back to the drawing board, as we disclosed all the names at least a year ago and they are in the public domain. I give way to my right hon. Friend the Member for Wokingham (Mr. Redwood).

Mr. Redwood: I am grateful to my right hon. Friend. Does he agree that a governing party in these circumstances should not misread the mood of the nation or the House? The nation expects an honest statement of everything that has gone wrong and of what the party will do to put matters right, as well as a little humility.

Mr. Maude: My right hon. Friend is absolutely right. The simple fact is that Jon Mendelsohn and Peter Watt must have known that the donations were illegal—

Mr. Simon *rose—*

Mr. Maude: According to Mr. Mendelsohn's own account, he knew from September that the donations were illegal. Surely it would have been completely extraordinary for him not to have told the Prime Minister, whose personal appointee he is, that there was a serious problem—

Mr. Simon: Will the right hon. Gentleman give way on that point?

Mr. Speaker: Order. I do not know what the right hon. Member for Horsham (Mr. Maude) intends to do about giving way but it seems, Mr. Simon, that he is not going to give way to you. Some quietness would therefore be of help.

Mr. Maude: The problem goes further than that—

Mr. Dennis Skinner (Bolsover) (Lab): Will the right hon. Gentleman give way?

Mr. Maude: I will give way in a short while, but I want to finish this passage in my speech.

Peter Watt, the Labour party's former general secretary, sat with the Justice Secretary in the discussions that we held over recent months with Sir Hayden Phillips. He pressed for greater powers to be given to the Electoral Commission to probe exactly the issue that we are debating today—whether donations had been paid through proxies. He was Labour's registered treasurer as well as its general secretary. Before that, he was the party's legal and compliance officer, and the rules and laws that we are discussing are the stuff of what a compliance officer deals with, day in and day out.

[Mr. Maude]

I have a simple question for the Justice Secretary. Can he really say to the House that he believes Peter Watt's claim that he did not know that the practice was illegal? He must know as well as we do how hollow that claim must be.

Mr. Skinner: On knowing or not knowing, with hindsight can the right hon. Gentleman tell me why the Tory party did not know that Asil Nadir was a crook who stole £400,000 from shareholders? Why did the Tories not send the money back? Why did they take $1 million from a Chinese drug baron? They never sent that money back either. Who is on the moral high ground now?

Mr. Maude: We know that things are getting really difficult for the Labour party when the House's ancient historian has to come to its rescue. That is ancient history.

The Justice Secretary was the Prime Minister's campaign manager, so can he tell us what he knew about the attempted donation by Mrs. Kidd on behalf of Mr. Abrahams to the Prime Minister's leadership campaign? The Justice Secretary was not ignorant of the law; as he often tells us, he took the 1999 Bill through the House so he knows very well what the law required. Will he tell us today what he knew about the Abrahams donation proffered through Mrs. Kidd? What conversations did he have with his fellow campaign manager, Chris Leslie, who having, as he put it, "torn up" the cheque, helpfully passed Mrs. Kidd's details to the right hon. and learned Member for Camberwell and Peckham (Ms Harman), now deputy leader of the Labour party? It is to that hospital pass that I turn now.

The longer this saga goes on, the more unanswered questions arise. The right hon. and learned Lady's husband is the treasurer of the Labour party. Her defence is that she took donations only from people her campaign knew personally or who were registered donors to the Labour party, so who at Labour headquarters did her campaign call to check Mrs. Kidd's identity? How was it that Baroness Jay, on behalf of the Environment Secretary's campaign, knew that Mrs. Kidd was not the true donor and that it was some kind of proxy donation? If both Peter Watt and Jon Mendelsohn knew—as they admit—that Mrs. Kidd was not a bona fide donor, anyone at Labour headquarters who was equipped to respond to such a check on Mrs. Kidd's identity must surely have known that she was not the real donor.

I turn to the curious incident of the illegal donation—we now know for sure that it was—to the Scottish leadership campaign of Wendy Alexander, or, as we must now call her, the human shield. Here again, there are more and more unanswered questions. There was clearly an illegal donation. Mr. Gordon, who solicited the donation, said he thought it came from a UK company and was therefore permissible. It then emerged that the campaign knew that there was literally a question mark over the donation; it appears in a schedule of donations, with the word "permissible?"—with a question mark—attached to Mr. Green's name. We read that the schedule apparently originated from Wendy Alexander's husband's computer.

At first, Wendy Alexander said she did not know about the donation. That is not true. How do we know? Because it turned out that she had written a thank-you letter to Mr. Green, to thank him not for a donation from his company, but for his donation. If that were not enough, the letter seems to have been sent to his home address in Jersey, so it rather gives the game away. It is not for us to speculate about Wendy Alexander's position, but we note that the message has gone from Downing street for her to stand at her post lest the fallout is even closer to Labour's high command.

Clive Efford (Eltham) (Lab): Will the right hon. Gentleman give way?

Mr. Maude: I shall give way, and then I want to move on to the case for reform.

Clive Efford: I am impressed with the right hon. Gentleman's assiduous attention to detail in naming donors. Will he answer a question for me? How is it that Coleshill manor, the campaign headquarters of the Conservative party, is funded by the Midlands Industrial Council? It is described by the right hon. Gentleman's leader as an intricate part of the Tory party but it is registered with the Electoral Commission as a regulated donee—

Mr. Simon Burns (West Chelmsford) (Con): It says here.

Mr. Speaker: Order.

Clive Efford: Can the right hon. Member for Horsham (Mr. Maude) explain why there is such an intricate web of finance for that centre? Why is it not straightforward and easy for people to understand?

Mr. Maude: The hon. Gentleman is struggling a bit, as I think the House can appreciate. All those arrangements are registered with the Electoral Commission, which has been through them all and has approved them. There is only one party here that has admitted breaking the law, and that is his party.

I turn to the discussions that have taken place over the last 18 months under the chairmanship of Sir Hayden Phillips. These followed discussions between Tony Blair and my right hon. Friend the Member for Witney (Mr. Cameron) in March and April last year, in the aftermath of the revelations about loans. We have consistently argued for comprehensive reform that would deal finally with the perception that large donors have undue influence on political parties. I have to say that Tony Blair seemed to share that view.

Dealing with that perception requires, above all, a cap on donations. Everybody now agrees that a cap of £50,000 would accomplish that. But there is an important point here: the cap has to apply to all donations, from whatever source—whether individuals, companies or trade unions. Sadly, it has gradually become clear that Labour simply could not agree to genuine reform. As Tony Blair's authority ebbed away and as he finally departed the scene, it became clear that Labour is so deeply in hock to the trade unions that it would not be allowed to accept even minimal reform.

Barry Gardiner (Brent, North) (Lab) *rose—*

Mr. Maude: I will give way in a moment.

The key to this is trade union affiliation fees. I want to set this out very clearly. It is not straightforward territory and it is important that it is properly understood. Trade union affiliation fees currently funnel £8 million to Labour. We are invited to agree that those fees should escape the cap on donations because, it is claimed, they are individual donations. *[Interruption.]* I see Labour Members nodding sagely and thoughtfully, but that claim is about as far from the truth as it can be.

Trade union law requires a union member to be able to opt out of paying the political levy, but in most unions it is incredibly difficult to opt out and members are not told of their rights. *[Interruption.]* If hon. Members will contain themselves and remain patient, I will disclose the evidence for that. If union members do happen to find out that they have that right, they have to be quite extraordinarily tenacious to exercise it. Of 17 trade unions that have online application forms, only three mention the right to opt out of the political levy. It is true that a small minority of union members—

Anne Snelgrove (South Swindon) (Lab): Will the right hon. Gentleman give way?

Mr. Maude: I want to finish this passage, if the hon. Lady will forgive me.

A small minority of union members have succeeded in opting out of the levy, but polling has consistently shown that fewer than half of trade union members vote Labour. More than half vote for parties other than Labour. It beggars belief that those people are cheerfully making a voluntary contribution to a party that they do not even vote for. Indeed, it emerged during our discussions that a Liberal Democrat MP was surprised to find in the post a ballot paper for Labour's deputy leadership election. *[Interruption.]* We do not know who that hon. Member voted for. Completely unknowingly, an MP elected for a different political party had become a member of the Labour party as a result of the supposedly voluntary donation.

It does not end there. In most unions, if someone does succeed in opting out of the political levy, they do not even get any money back. Their union subscription remains completely unchanged. The truth is that in most cases—not all—the money given to Labour under the guise of affiliation fees is entirely in the hands of the trade union barons. After all, it is the trade union leaders who decide how many affiliated members they are going to declare. Let us look at the numbers. Unison is one of the unions that does put the right to opt out up front on the application form. More than half its members have exercised that right and decided to opt out. Other unions, such as the Union of Shop, Distributive and Allied Workers, and the National Association of Colliery Overmen, Deputies and Shotfirers, declare that 100 per cent. of their members pay the levy, with no opt-outs whatever.

Even that is not enough for two of the biggest beasts among Labour's paymasters. Amicus and the Communication Workers Union both calmly state that more than 100 per cent. of their members pay the political levy. I am grateful to my hon. Friend the Member for Huntingdon (Mr. Djanogly) for his research on the subject. Amicus shows that 109.4 per cent. of its members pay the political levy, and the CWU declares that 104.1 per cent. of its members do; I am sure that that would not have happened in the Health Secretary's time at that union. That shows what a sham the situation is. We are expected to allow what are plainly block donations by the trade unions to be treated as individual voluntary donations. It is laughable.

As the discussions drew on, it became increasingly clear that Labour was simply not committed to delivering, or able to deliver, on Tony Blair's promise of comprehensive reform. We went the last mile in an attempt to secure agreement. Eventually, it emerged that Labour was intransigent, even on the most basic of changes. We suggested that the right to choose whether to pay the levy should appear on the membership application form. We thought that that was completely uncontroversial and would go through on the nod. The law requires a right to opt out; and what could be more simple, straightforward and obvious than putting a little tick-box on the application form, so that one can make that choice when filling it in? We put that proposal forward—uncontroversially, we thought—and the answer was no. The proposal was unceremoniously rejected. There was no argument about it and no explanation of why it was turned down—just a flat, straightforward no. That tawdry story need not be the end of reform. We would rejoin the discussions tomorrow if the Prime Minister showed that he was serious about real reform, but so far he has not done so.

Tom Levitt (High Peak) (Lab) *rose—*

Mr. Maude: I am drawing my remarks to a close.

Nothing that the Prime Minister said last weekend changed that one iota. If union members had a clear, accessible choice of whether to pay the political levy, and a choice of which party should benefit from that political levy, it could be said with a straight face that the money was genuine individual donations, although even that would leave the unions in a uniquely privileged position. Any renewed discussions need to focus on donations, not on spending limits. All the scandals that have disfigured party funding have arisen from giving to parties, not from parties spending.

Before people start talking about the arms race, let us deal with that issue. The Hayden Phillips team made a study of spending trends over the past 15 years. It showed that my party spent less in the last election than we did, in real terms, in 1992. It showed that the bulk of the increase in spending by the major parties in recent years is accounted for by big increases in what the Liberal Democrats spend.

Anne Snelgrove: Will the right hon. Gentleman give way?

Mr. Maude: No, I am drawing my remarks to a close.

In his speech at the weekend, the Prime Minister claimed, no doubt inadvertently, that Sir Hayden Phillips had recommended local spending controls. He said that Sir Hayden

[Mr. Maude]

"recommends spending limits at both the local and national levels."

That was simply not correct. In the draft agreement that Sir Hayden circulated, which is now in the public domain, Sir Hayden said:

"A single overall limit will apply to the expenditure of each party, including all its constituent organisations whether national, regional, local or other. It will be a matter for the party itself to decide how to disaggregate its spending within the overall limit between the years of the parliament and among the various organisations in the party."

I am sure that it was inadvertent, but I am afraid that what the Prime Minister said at the weekend was simply not the case; it did not accurately reflect what was said. How monstrous it would be if, at a time when the amount that sitting MPs can spend promoting themselves in their constituencies out of taxpayers' money has increased so much, their competitors would be barred by law from spending money that they themselves had raised from private supporters. I know that Labour MPs and Lib Dems are feeling a little vulnerable at present, but even they must see how indefensible such a move would be.

There must be not a penny more of additional state funding for parties without comprehensive reform that addresses the concerns that the public have about party funding. This has been a sorry tale of lawbreaking at the highest levels by one of Britain's major parties. For the second time in two years, the police are investigating a Labour Prime Minister. I hope the Minister will provide some genuine answers and will also provide the public with some hope that long-term comprehensive reform can eventually be delivered. Given the way that his Government have stumbled from incompetence to chaos to lawbreaking, we may have to wait some time.

4.51 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that political funding reform is essential to the future health of democracy in the UK and that Her Majesty's Gracious Speech said that the Government would bring forward proposals on the regulation of party finance and expenditure; regrets that a comprehensive reform package was not achieved by the inter-party talks owing to the unilateral decision of the Conservative Party to walk away from a draft agreement put to the parties by Sir Hayden Phillips, despite the fact that the draft agreement faithfully reflected recommendations in Sir Hayden's 15th March 2007 Report, which they"—

the Conservatives—

"had earlier welcomed; and urges all parties to engage constructively in order to achieve lasting reform in the public interest.".

Let me begin with a proposition that, I hope, receives the approbation of Members on both sides of the House. In any modern society a well functioning democracy depends critically on the vibrancy of its political parties. It is the parties that are able to offer clear choices to the electorate. In turn, the activities of those political parties have to be paid for. Democracy does not come free.

Until the last quarter of the 19th century, British politics was famously corrupt, but the introduction of the secret ballot and then of funding limits led to a rapid change in the activities of parties and to the conduct of elections—a change that has been sustained to the present day. Yes, there have been some well publicised problems, and in some cases, as we have heard, breaches of the law, which have occurred over the past 15 years and, by turn, have affected all the main parties and whose impact I do not seek to minimise.

However, in comparison with our own history and with many comparable countries today, our party politics is clean, there is a remarkable absence of corruption, and almost everyone who gives to a political party, whether in large amounts or small, does so not to gain undue favour, but because they are committed to the principles of that party and regard it as their civic duty to support it. But it is right, too, that when issues have arisen, the House has sought to deal with them and, whenever possible, to do so on a consensual basis.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I am grateful to the right hon. Gentleman. Last week, when the Prime Minister said that unlawful activities had taken place, he said that the money would be returned. Has the £650,000 left Labour party accounts, and where is it now?

Mr. Straw: I cannot answer that question; I do not know is the answer.

Mr. Andrew Mackay (Bracknell) (Con): Perhaps I can ask a question that the Secretary of State can answer. He piloted the 1999 Bill so will he tell us in what circumstances an illegal donation to a political party is not sent back to the donor, but forfeited to the Electoral Commission?

Mr. Straw: We have made it very clear that the donation will be sent back, and the law is very clear. May I just say this? A number of questions have been raised by the right hon. Member for Horsham (Mr. Maude), and will no doubt be raised by others, in respect of what is unacceptable and plainly unlawful, as my right hon. Friend the Prime Minister has said. The right hon. Gentleman mentioned internal party inquiries, and that is quite right, but he omitted to mention that there is currently an inquiry by the Electoral Commission and also by the police. It would be improper for me to seek to answer questions that should properly be a matter for the police and for the Electoral Commission.

Chris Ruane (Vale of Clwyd) (Lab): Does my right hon. Friend know what the following have in common: Tanbridge, the East Surrey Business Club, the Midlands Industrial Council, which is an unincorporated association, Westminster Circle, Conway Patrons Club, the 66 Club, the Ladies Luncheon Club, Marginal Magic and the Chelwood Club? Here is a clue—

Mr. Speaker: Order. That is enough for the Secretary of State to be getting on with.

Mr. Straw: I suspect that they have something to do with the Conservative party.

Mr. Edward Vaizey (Wantage) (Con): Will the right hon. Gentleman give way?

Mr. Straw: I will in a moment, but let me first make some progress.

We had committed to introducing legislation to oblige political parties to declare the sources of all donations above a minimum figure and to banning foreign funding. When we came to government in 1997, the then Prime Minister, Tony Blair, widened the terms of reference of the Committee on Standards in Public Life. I point out to Conservative Members that throughout the 1990s we were seeking a full-scale inquiry into party funding in the face of the substantial scandals that were emerging among those on their Benches. A full-scale independent inquiry was consistently refused.

As I said, when we came in, the committee's terms of reference were widened so that it could conduct a major inquiry on those matters. Under the chairmanship of Lord Neill of Bladen, it reported in October 1998. I worked closely with other parties to achieve broad agreement on its recommendations, and the legislative result was the Political Party, Elections and Referendums Act 2000. The 2000 Act was the first comprehensive reform of the regulation of political parties for more than a century, and I am proud that it fell to that Administration to achieve it. On the whole, as subsequent reviews have shown, it has worked well, although not as well as we had hoped. In one key area—that of local spending—it has had unintended consequences.

Mr. Redwood: Will the Secretary of State say why the Prime Minister's campaign tore up the cheque from Mrs. Kidd, but recommended her as a possible donor to the right hon. and learned Member for Camberwell and Peckham (Ms Harman)?

Mr. Straw: I shall be happy to tell the Electoral Commission and the police should they ask that. We will wait until the inquiry is made.

Mr. Burns *rose—*

Mr. Spellar: On a point of order, Mr. Speaker.

Mr. Speaker: I hope that it is a point of order.

Mr. Spellar: On a point of order, Mr. Speaker. Is it in order for Conservative Members to make interjections without declaring an interest in respect of donations from secretive patrons' clubs and others?

Mr. Speaker: It is up to Members what declarations they make.

Mr. Burns: Do the Lord Chancellor and the Government anticipate making acting in good faith a reasonable defence in the next criminal justice Bill?

Mr. Straw: I notice that the Conservative party has adopted a holier-than-thou approach on this issue. Its Members are now saying that there is one approach for the Labour party and another for them. Yesterday, the leader of the Conservative party was asked about some of these matters and said, "You know, that was a completely innocent mistake. The rules are quite complex in some places and when you are asking, say, every Conservative association to make sure that every donation it gets has got to be properly declared to the Electoral Commission and all the rest of it, you are going to get mistakes." So there are mistakes by the Conservative party, but, apparently, much more egregious errors by us.

Mr. Simon: It is gracious of my right hon. Friend to give way. On innocent mistakes, Lord Ashcroft promised in 2000 that he would clarify his tax domiciliary status, his residence and where he pays tax. It is now 2007 and the matter has still not been clarified by him or by the right hon. Member for Horsham (Mr. Maude), who ducked the question disgracefully. Is that an honest mistake or something rather more sinister?

Mr. Straw: That is not a question that I can answer, but I noticed that, when the right hon. Member for Horsham was asked about the matter, he had carefully rehearsed replies, which failed to answer the direct question.

As the right hon. Gentleman said, the Government decided, with all-party support, to establish in March 2006 a further review of the funding of political parties, led by Sir Hayden Phillips. Along with the right hon. Member for Horsham, the hon. Members for Chichester (Mr. Tyrie) and for Somerton and Frome (Mr. Heath) and others, I have been heavily involved in that review. I express my admiration of Sir Hayden for the skill, professionalism and patience that he brought to the task.

Sir Gerald Kaufman: Consequent to the intervention of my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), may I draw my right hon. Friend's attention to Rachel Sylvester's comments in *The Daily Telegraph* today? She wrote:

> "The problem is that Lord Ashcroft chooses not to say publicly whether he is resident, and pays tax, in this country. I rang his office yesterday to ask the question again. 'It is a private matter,' was the response of his spokesman. But it isn't. People who fund political parties should live in this country and contribute to the public services they hope to shape."

Mr. Straw: As I said to my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), we noted that the answers from the right hon. Member for Horsham were carefully phrased.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Will my right hon. Friend assure the House that any reforms that he introduces ensure that no rich business people can buy a party's manifesto? I refer to the fact that Brian Souter, the owner of Stagecoach buses, gave the Scottish National party £500,000, only to find that the party dropped its proposal to reregulate the bus industry. My question will not cost £1 million, but the incident seems to me to be one of cash for favours.

Mr. Straw: Yes is the answer to the question.

Several hon. Members *rose—*

Mr. Straw: Of course, I will give way, but I want to make some progress first.

Sir Hayden published an interim report in October 2006 and a final set of proposals in March 2007, which formed the basis for intensive discussions led by him, with a view to securing detailed, all-party agreement on the way forward. In that, we were helped by an agreed, unanimous report by the Constitutional Affairs Committee in December last year.

Sir Hayden's report dealt with four sets of issues: the Electoral Commission and the regulatory framework; spending limits; donation limits; and state funding. On the first, there is all-party agreement, backed by the Constitutional Affairs Committee and the recent report of the Committee on Standards in Public Life. All agree that the Electoral Commission should have a tighter focus on the regulation of political parties and the conduct of elections, and that it should be more proactive in policing the system overall. Reforms to that end will be included in legislation.

The second issue is spending limits. When the original reforms were introduced in 1883, election campaigns were conducted over a relatively short period, and almost exclusively locally. However, huge sums were spent—equivalent to well over £100 million at today's prices. Those limits worked well so long as campaigning was mainly confined to local constituency campaigns, but with the development of national campaigning from the late 1950s onwards, the old regulatory system became very defective.

Stephen Pound: On the subject of the complicated mechanism that my right hon. Friend mentions, I am sure that the right hon. Member for Horsham did not mean to mislead the House earlier when he stated, in reply to my intervention, that all members of the Midlands Industrial Council had had their names published, given that we hear that the names were still emerging as recently as two hours ago. Does my right hon. Friend agree that that is either confusion or just coincidence?

Mr. Straw: The simple truth on unincorporated associations such as the Midlands Industrial Council is that they have been used, albeit lawfully, as a means of avoiding disclosing the identity of the original donors. That is why Hayden Phillips's Committee recommended—and we will do this—that the identity of beneficial donors to unincorporated associations should be made clear.

Mr. Stephen O'Brien (Eddisbury) (Con): To help the House in relation to what the right hon. Gentleman has just said, could he confirm the tax status of Lord Mittal and of Sir Ronald Cohen?

Mr. Straw: An individual's tax status is a matter for them and for the Inland Revenue and the Electoral Commission.

Mr. Gordon Prentice (Pendle) (Lab) *rose—*

Mr. Straw: Neill looked very carefully at the question of overall spending limits and said that the majority of his Committee had concluded—

Mr. Prentice *rose—*

Mr. Speaker: Order. The Secretary of State is not giving way. I ask again for calm.

Mr. Straw: Neill said that the majority of his Committee had concluded, at paragraph 10.31 that

"the imposition of national spending limits on political parties and other campaigning individuals, is justified".

It must be a self-evident truth that the overall level of spending is the key driver of the demand for donations and of the problems that may arise over large donations. The Constitutional Affairs Committee was eloquent in warning about an escalating arms race between the parties, stating correctly that

"where the regulatory environment permits it the spending trends are all upwards".

The Committee recommended that there should be a

"tighter cap on overall party spending".

In his March report, Sir Hayden Phillips commented:

"However robust the controls we put in place over the sources of the parties' income, the current problems of financial instability must be expected to recur unless we also do more to curb campaign spending. We should limit it through generally accepted, easily understood, and enforceable rules."

It is true that, as the right hon. Member for Horsham said, spending had come down from the ludicrous levels that were reached in the early 1990s—that is thanks to our Act, not the Conservatives' proposals. However, as Hayden Phillips recited, spending between the two parties at the last election stood at some £90 million in the year of the election, when it should have been a combined limit of £40 million, and some £60 million the year before leaving aside local expenditure. He went on to say:

"A vigorous election is good for democracy and we should not expect it to be cheap. But this sharp upturn is excessive and it cannot be in the public interest."

He concluded:

"PPERA sought to control the level of spending, but it has proved inadequate to the challenge. Parties may be complying with the letter of the law, but not the spirit. The current approach is built around a definition of 'campaign expenditure' which is at one and the same time inadequate and excessively complicated. One expert has compared it, aptly, to building a dam in the middle of a stream. As the CASC noted in its report, the time has come for a new approach...All parties accept that campaign spending in an election period must be cut, and the cuts made to stick."

He added:

"Spending limits could be set to embrace all national and local party spending, with the national party held accountable for delivering an auditable set of consolidated accounts demonstrating compliance with the limits."

Mr. Graham Stuart (Beverley and Holderness) (Con): Does the Secretary of State accept that it is ludicrous for an inquiry is to report to someone—the Leader of the House—who is herself under investigation for the receipt of illegal donations?

Mr. Straw: No. The Labour party inquiry will report to the national executive committee.

Martin Salter (Reading, West) (Lab): My right hon. Friend is rightly considering further legislation, but when he brought in the Political Parties, Elections and

Referendums Act 2000, what prompted him to conclude that that legislation was necessary? We have heard about Chinese heroin barons and about Asil Nadir, but was it the research that revealed that 50 per cent. of peerages and knighthoods went to directors of companies that had given donations to the Conservative party?

Mr. Straw: My hon. Friend is entirely right. There was widespread concern, and Conservative Members have extremely short memories about unacceptable practices that took place in the Conservative party, above all, at that time. That was why we set up the inquiry under the chairmanship of Lord Neill, and we delivered on it on an all-party basis.

Mr. Vaizey: On Sunday, Labour Ministers said that the money from David Abrahams had been paid back. The Secretary of State says that he does not know whether it has been paid back. Labour Back Benchers have been free to smear Lord Ashcroft on his tax status, but the Secretary of State says that he does not know the tax status of Lakshmi Mittal or Sir Ronald Cohen. Does the Secretary of State feel that he has come to this debate properly prepared?

Mr. Straw: I was answering a specific question about two donors whose tax status had never been an issue. It is Lord Ashcroft who has clearly raised questions about his own tax status that so far he has refused to answer.

Mr. Kenneth Clarke (Rushcliffe) (Con): The right hon. Gentleman is going through the Hayden Phillips recommendations and it must be obvious to all reasonable people that the three political parties should feel obliged to reach an agreement along the lines of those recommendations as quickly as possible in order to restore some confidence in our political system. Would he move on to the key point of how trade union block grants should be treated under any system? Is he content to say that members of trade unions should be allowed to contribute like anyone else, giving voluntary contributions, and subject to the same overall limits that every other individual ought to be subject to?

Mr. Straw: I am extremely grateful to the right hon. and learned Gentleman for what he has just said. He said that it is important that all parties move ahead to implement the Hayden Phillips recommendations. That is exactly our position and that of the Liberal Democrats, but it is not the position of the Conservative party. What is absolutely clear is that donation limits are an issue, and I shall come to the issue of trade union contributions. However, the fundamental issue that Hayden Phillips raised alongside those two was that of spending limits. The Conservative party was signed up to overall spending limits. When I made my oral statement on 15 March on the publication of Hayden Phillips's report, the right hon. Member for Maidenhead (Mrs. May), speaking for the Conservative party, said:

> "We accept his main recommendations...we are happy to discuss spending caps on all year round non-election campaigning and proposals for tighter controls on third-party expenditure".—[*Official Report*, 15 March 2007; Vol. 458, c. 469.]

The right hon. Member for Horsham endorsed that. It is, therefore, something of a surprise to all of us engaged in those negotiations—I am glad to hear that the right hon. and learned Member for Rushcliffe (Mr. Clarke) does not take the view of his party leader—to hear the Leader of the Opposition say that he does not believe

> "a global spending limit year by year is right or necessary".

If the right hon. Member for Horsham is now ready to stand up and say that he accepts what he and the right hon. Member for Maidenhead accepted on 15 March, and not the position of the Leader of the Opposition, we can make good and consensual progress on this issue.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con) *rose—*

Mr. Straw: No, no. I want the right hon. Member for Horsham to intervene.

Let me say to the right hon. Gentleman about this stuff on Government press offices, the communications allowance and so on, that if the only issue between us is whether there should be a discount for incumbency, we are happy to talk about it, but the truth is very different.

Mr. Kenneth Clarke: I do not mind the right hon. Gentleman dilating on this matter because I am a general supporter of the Hayden Phillips recommendations. However, the right hon. Gentleman has to answer the point about trade unions. It seems to most people in the country that that is the principal obstacle standing in the way of what is otherwise an obviously desirable agreement.

Mr. Straw: I said that I would come to that and I will. But I will also say to the right hon. and learned Gentleman that he understands the point, which the Conservative party leadership now does not—it had a different point of view six months ago—which is that the key driver of donations is the totality of spending. *[Interruption.]* Of course there is an arms race, and there has been one for many years. We sought better to control that in the 2000 Act. We controlled it somewhat, but not sufficiently. Unless we accept what the Constitutional Affairs Committee recommended and what is explicit in Hayden Phillips's proposal, we shall not be able to secure far better control of overall spending and donations, which is what the whole House and, I hope, the whole country wishes.

Mr. Vara: Will the Secretary of State give way?

Mr. Straw: No.

Let me come to the issue of donation limits. Neill considered whether donation limits should be established back in his 1998 report, but came down firmly against them. The Liberal Democrats have consistently argued for them, but Neill's view was shared by both the Conservative and Labour parties, so no provision was made in the 2000 legislation. In the light of Sir Hayden Phillips's review, both parties now accept the case for such limits. Sir Hayden recommended that limits should initially be set at £250,000, reducing over a number of years to £50,000.

[Mr. Straw]

I said that I would come to the matter of trade union affiliation fees, which is exercising the right hon. and learned Member for Rushcliffe and others. I said at the outset of this speech that we all had to have a care for the health of our political parties. We should also have a care for the fact that the history and current structure of each party is different. I learned a lot about how the other two parties operate—each of them is different—and I think that those present learned a lot about my party, too. In particular, they learned that, far from sitting around at the end of the 19th century deciding which party to support, the trade unions decided with others to form their own party, which in time became the Labour party.

Helen Jones: On the question of different political parties having different structures, will my right hon. Friend turn his attention to the Tory golfing society, which appears to donate to a number of Conservative associations? May we have a transparent system for such societies, so that we can see whether any of their members actually play golf or whether they are simply funding mechanisms for the Tory party?

Mr. Straw: A very good idea.

Mr. Vara: I am grateful to the Secretary of State for giving way. Given that £127,000 has been given by trade unions to a number of Cabinet Ministers' local constituency offices, including £10,000 to the Prime Minister's local constituency office since the beginning of last year, does the Secretary of State not agree that the word "transparency" is meaningless unless the funding of political parties by trade unions is put on the negotiating table for full and frank discussion?

Mr. Straw: I do not know why the hon. Gentleman is busting a gasket saying that. The system is transparent—that is how he knows.

Mr. Vara: The Secretary of State seems to have missed the point. He does not seem to appreciate that the phrase "conflict of interest" comes into play and that unless the funding by trade unions is put on the table, the Cabinet and the Prime Minister will be accused of having a vested interest in the debate.

Mr. Speaker: Order. Regardless of the office that any right hon. or hon. Member holds, we must be careful when we are making an accusation or a personal attack on anyone and ensure that we do not say anything that we might regret later. I ask the hon. Gentleman to be careful—I know that he did not mean it that way, but that is the way it came out. Let us just leave it at that.

Mr. Straw: The system is completely transparent—that is how the hon. Gentleman knows, as I have said. It is a great deal more transparent than many of the dining clubs that in the past have supported the Conservative party.

Ms Dawn Butler (Brent, South) (Lab): The hon. Member for North-West Cambridgeshire (Mr. Vara) talks about contributions from trade unions, but I wonder whether he would like to declare to the House his 50:50 Club contribution of £4,980 in 2006.

Mr. Straw: I look forward to that.

On the issue of the lack of symmetry in the constitution of different political parties, the Constitutional Affairs Select Committee warned that

"any move to change the nature of party funding must not stray into prescriptive devices to require political parties to organise internally in ways which violate the democratic relationship with other institutions".

Sir Hayden Phillips endorsed that recommendation and the Select Committee was referring specifically to trade unions.

Pete Wishart (Perth and North Perthshire) (SNP): On donations, can the right hon. Gentleman help me? Is it fair and credible to claim ignorance of the law as a defence, particularly when it comes from a senior legislator such as the leader of the Labour party in Scotland? The right hon. Gentleman is the Justice Secretary, so what does he say to members of the public who look at this bizarre defence and expect to get away with it, too?

Mr. Straw: What I would say directly to the hon. Gentleman, who is so keen on devolution, is that my writ does not run in Scotland.

When a trade union is affiliated to the Labour party, the individual will—as the right hon. Member for Horsham parodied earlier—normally pay a small part of his or her subscription as a political levy, which goes to the Labour party in turn, but the individual has a clear right to opt out of paying, and many thousands actually exercise it. Trade union members can opt on any day of the week: they can choose which union to affiliate with and the union itself can choose to disaffiliate.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Does my right hon. Friend agree that outside the House, this debate is seen as bit like the pot calling the kettle black? What the British people want to see us do is resolve the issue of party funding. I assure him that they will not mind a cap on spending if it means getting fewer DVDs and fewer leaflets from political parties; what they would mind is state funding of political parties, which we should not introduce.

Mr. Straw: I think that there is probably widespread agreement with my hon. Friend on that matter. I am quite clear that overall party politics and our democracy would benefit if there were controls on both spending and donations, which is what Sir Hayden Phillips proposed.

Let us reflect on what Sir Hayden Phillips had to say on this issue, as it is central to the argument between our two parties. He said that

"much will turn on the treatment of the decisions by individual trade union members to pay money to the party to which their union affiliates. In my view these payments may be regarded as individual donations for the purposes of the new limit if, and only if, the decisions reached are clearly transparent and it is possible to trace payments back to identifiable individuals."

That brings me, in turn, to the talks led by Sir Hayden Phillips over the summer. In July, we agreed that we would meet again on 3 September.

Mr. Jonathan Djanogly (Huntingdon) (Con): Can the right hon. Gentleman explain why more union members are affiliated than actually pay the political subscription?

Mr. Straw: We accept that there are some defects in the system, and we have made that clear. That is why we were ready to sign up to these proposals. If the hon. Gentleman and his party were prepared to do so, we could agree. This is a comprehensive package, as set out in Sir Hayden Phillips's proposals at the end of August. A meeting was due on 3 September, of which all parties had good notice. It is a matter of record that the Conservative party cancelled that meeting at short notice and it then took eight weeks to resurrect it. As the hon. Member for Somerton and Frome (Mr. Heath) made clear, when we finally met on 30 October, the Conservative party walked away from the talks. I very much hope that the official Opposition will think again. We announced in the Gracious Speech that we would bring forward proposals in respect of party funding and regulation.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. Friend may be interested to know—I am sure the House will—that Lord Ashcroft says on his website:

"If home is where the heart is, then Belize is my home".

Would my right hon. Friend like to comment on that?

Mr. Straw: Given that and all the unanswered questions raised by Rachel Sylvester, I am not surprised that the right hon. Member for Horsham was so unwilling to give a direct answer to a direct question.

Finally, let me deal with the issue of state funding. There has long been a significant element of state funding for political parties, through the free post and similar means and through the Short money, which we as a Government ensured was trebled and which now runs at £4.5 million a year for the Conservative party.

Mr. Andrew Tyrie (Chichester) (Con): The Secretary of State has referred to various Hayden Phillips proposals. In fact, he has elided a number of proposals made by Hayden Phillips over a number of months. At the end of the talks in which I participated, I asked for all the papers produced by Hayden Phillips—including the background working papers and earlier proposals—to be published and put before the public. Why did the right hon. Gentleman flatly refuse to allow them to be published? Why will he not allow the public to see all Hayden Phillips's work?

Mr. Straw: I should be perfectly happy for people to see it, but as the hon. Gentleman knows very well, the reason is that this was a matter for Hayden Phillips and not for us. *[Interruption.]* The hon. Gentleman knows that. Hayden Phillips was running the inquiry, and we were not.

Mr. David Gauke (South-West Hertfordshire) (Con) *rose—*

Mr. Straw: The Neill committee noted that the arguments for and against state funding were "finely balanced". The Phillips review concluded that there should be a degree of state funding, and presented proposals based on electoral support and the recruitment of members. We made good progress on three of the pillars outlined by Hayden Phillips in his draft agreement: on spending limits, on donation caps and on reform of the Electoral Commission. As the Prime Minister has said, we are yet to be persuaded of the case for a significant extension of state funding, but we recognise that it will be a source of continuing consultation.

Notwithstanding the clear and partisan decision of the official Opposition to walk away from the Hayden Phillips talks, I very much hope that they will think again. In the Gracious Speech, we announced that we would produce proposals in respect of party funding and regulation. The case for a comprehensive and fair package is overwhelming. It is set out in the report by the Constitutional Affairs Committee, and in Sir Hayden Phillips's report and his later draft agreement. My right hon. Friend the Prime Minister expressed his backing for it at the weekend. A White Paper is currently being prepared; we shall publish it as soon as possible, and present legislation thereafter.

Mr. Gauke *rose—*

Mr. Straw: We came very close to a consensus before, and I believe that with good will and with the assistance of Sir Hayden Phillips we can achieve one for the future. In any event, it is clear that we need the legislation. I commend the amendment to the House.

5.27 pm

Mr. David Heath (Somerton and Frome) (LD): I suspect that any member of the public watching the debate and entertaining the perverse hope that he or she would be edified will have been sadly disappointed by what has been said so far. I think the country reasonably expects the House to treat a serious matter that underlies our democratic system with a degree of sobriety and perhaps, in some parts of the House, remorse.

This issue has been around for a good many years. Indeed, it was one of the subjects of the talks between the late Robin Cook and my noble Friend Lord Maclennan before the advent of this Labour Government, and there was a clear expectation that legislation would be presented to deal with what were perceived to be clear and mounting irregularities in our system. That was given added impetus by the Neill Committee. Let us remember why the Neill committee was engaged. It was engaged because of the Bernie Ecclestone affair—again, an example of clear abuse. The Neill Committee made a series of recommendations that eventually formed the basis of the Political Parties, Elections and Referendums Act 2000, the legislation on which all this is based.

It may be valuable to look back at what was said by the Lord Chancellor in his previous position as Home Secretary in a statement on the funding of political parties back in 1999. He said:

"We came to office committed to reform. Our three commitments were, first, to require large donations to political parties to be disclosed; secondly, to outlaw foreign funding of political parties; and thirdly, to invite the Committee on Standards in Public Life to look into the wider question of the funding of political parties in the United Kingdom."

[Mr. David Heath]

He went on to say that

"for too long, public confidence in the political system has been undermined by the absence of clear, fair and open statutory controls on how political parties are funded",

and he concluded by saying:

"By providing greater honesty and openness to our political system, we hope to restore public trust and to promote greater confidence in our democracy."—[*Official Report*, 27 July 1999; Vol. 336, c. 134-136.]

I entirely agree with every word that the Lord Chancellor said on that occasion, and the tragedy is the degree to which we have fallen short of those expectations.

Mr. Spellar: The hon. Gentleman can help that process by telling us on behalf of his party when it will give back the dodgy £2 million it received from the convicted criminal, Michael Brown.

Mr. Heath: I expected that intervention at some stage, so I thought I might as well give way to the right hon. Gentleman right at the beginning.

Mr. Jeremy Browne (Taunton) (LD): It was boringly predictable.

Mr. Heath: My hon. Friend is absolutely right: it was boringly predictable. There has never been any question about disclosure of that sum; as a right hon. Gentleman, the right hon. Member for Warley (Mr. Spellar) will, I hope, accept that there has never been any attempt not to disclose the provenance of that money.

Let me read out the Electoral Commission's statement, because that is the body set up under the provisions of the recently mentioned legislation to look into such matters. It says:

"The Electoral Commission has previously made clear its view that it was reasonable for the Liberal Democrats—based on the information available to them at the time—to regard the donations they received from 5th Avenue Partners Ltd in 2005, totalling just over £2.4 m, as permissible."

It goes on to say:

"It remains the Commission's view that the Liberal Democrats acted in good faith at that time, and the Commission is not re-opening the question of whether the party or its officers failed to carry out sufficient checks into the permissibility of the donations."

If the Electoral Commission takes a different view—it has indicated that it will revisit this once law cases are complete—we will abide by whatever it says. That is the end of the matter. We have been perfectly open.

Mr. Spellar: Will the hon. Gentleman give way?

Mr. Heath: No; the right hon. Gentleman had his chance and he blew it.

The concern is not only that the Government have fallen short of the expectations they themselves set out when introducing that legislation. I do not blame the Lord Chancellor for this, nor do I blame the plurality of Members of his party, just as I do not blame the plurality of Members of any party for the actions of a few within their parties. There is, however, a concern that the party of Government have systematically subverted their own legislation, and that is a very serious matter indeed.

The levity that has been displayed on the current occasion is entirely inappropriate. This latest episode has been described in the newspapers as a fiasco and a farce, and one commentator was prompted to employ a word I would not normally use in a debate: "dégringolade". I have no idea whether it is a dégringolade, but I do think it is a tragedy. It is a tragedy not because of the particular circumstances, but because the consequence is further to undermine confidence in, and the standing of, not only the Labour party, but all the parties represented in this House, and that is a matter of concern to all of us.

Let me briefly deal with the present situation. There are questions that still need to be asked: the Lord Chancellor, or whoever replies to the debate, will probably not be able to give the answers, but they are questions that the country is still asking. I have no idea whether this is incompetence on a grand scale in the higher echelons of the Labour party or conspiracy—I think that the investigations will show that. I must say, however, that if it is incompetence, that is very difficult to believe given the calibre of some of the people involved and given the very clear instructions in the law.

The right hon. Member for Horsham (Mr. Maude) was right to say that what we are talking about is not to do with just some petty rule book—this is about not the rules of a game, but the law of the land. There is not only a prima facie case of it having been broken in this instance, but that is also by the admission of the Prime Minister.

We hear that the Prime Minister's party leadership campaign team rejected the donations from Janet Kidd. Why did it do that, and did it tell anyone else in the party when it did so?

Mr. David Clelland (Tyne Bridge) (Lab): Is the hon. Gentleman aware that the hon. Member for Eastleigh (Chris Huhne) has recently been pursuing his leadership campaign in the north-east, and that in doing so he has asked Durham police to look into certain planning applications without a shred of evidence that anything is amiss with any of them? Should the costs to Durham police of pursuing those investigations be considered to be a donation to the hon. Gentleman's election campaign or should he be prosecuted for wasting police time when nothing is found?

Mr. Heath: The investigation will be a matter for the Durham police. If they feel that there are matters to be investigated, they will investigate them, but if they feel that there are no such matters, they will not investigate. That is the answer to the hon. Gentleman's question.

The refusal of the donations by the Prime Minister's campaign team is a matter of public interest. Given the climate of opinion following the cash for peerages affair, did the Labour party's treasurer, chairman, secretary or chief fundraiser—or indeed anyone in a position of responsibility in the party—ask about the processes in place for clearing donations? Was guidance given to anyone who might be in receipt of such a donation? Were systems in place to apply the guidance given by the Electoral Commission? Does the Lord Chancellor seriously want the House to believe

that the general secretary of the Labour party, who not only received the guidance from the Electoral Commission but was asked to comment on it, was ignorant of the meaning of the words that he read on the paper? He struck me as a very intelligent man who purported to have some integrity, yet he apparently did not understand the words that were put in front of him. I find that difficult to believe.

Was any guidance given to the candidates in the deputy leadership election about what their donation rules should be? If so, why did several candidates apparently not declare donations given, in clear contravention of the rules? What role did Mr. Chris Leslie play? Why did he put the Leader of the House's campaign team in touch with Mrs. Kidd? Why did he turn down the money? Did he know the connection with Mr. David Abrahams? Baroness Jay apparently did know that a proxy donor was involved. How did she know that? Did she know the connection with Mr. Abrahams? Did she know Mr. Abrahams? Did she tell anybody else?

What precisely led Mr. Abrahams to want anonymity in the first place, given that he gave many donations with no recourse to anonymity in many other areas of public life? He was not reticent in his pattern of donations, so why was it only in the case of the Labour party that he wanted to hide a donation? Is it true that Wendy Alexander has been advised not to resign because to do so might have a knock-on consequence for the Leader of the House's position? If so, who gave that advice and why?

These serious issues will not go away, but we have had many other donation rows—on cash for peerages, on the Bernie Ecclestone affair, on the Midlands Industrial Council, which has been mentioned, and on several other issues. Labour Members can cite several examples from a sedentary position; I am sure that it all helps the argument.

Clive Efford *rose—*

Mr. Spellar *rose—*

Mr. Heath: I give way to the hon. Member for Eltham (Clive Efford).

Clive Efford: I have listened carefully to the hon. Gentleman's speech, but he really cannot get away with the answer that he gave earlier about the Michael Brown money. Has he been approached by any of the people who have suffered from the fraud by Michael Brown, and has the Liberal party given any consideration to how he came by that money and whether it is morally obliged to give it back?

Mr. Heath: The hon. Gentleman raises an interesting question, but I have not been so approached. Does he propose that the money be returned to Mr. Michael Brown, pending the court cases, or to some other person or persons unknown? The hon. Gentleman needs to think through his position.

On the broader issue of rich donors, I have to say that they are nothing but trouble, whether they give to my party, the Conservative party or the Labour party. That is demonstrably true and it demeans the political process when so much effort is made to woo people with large amounts of money. Apart from any due diligence that is required under the law, there are two key questions that the parties should ask. The first is how, and the second is why. How did the donors become as rich as they are? Was it by ethical means, and did it happen in this country?

Mr. Gordon Prentice: On the point about rich individuals bankrolling political parties, is it not scandalous that the Conservative peer Lord Laidlaw, who is a tax exile, gave £6 million in gifts, loans and donations to the Conservatives, they brush that to one side as yet though it were of no consequence?

Mr. Heath: It is scandalous. It is also scandalous that any member of the legislature—of either House of Parliament—should choose not to be domiciled in the UK for tax purposes. The law should be changed to that effect. I listened to the circumlocutions adopted by the right hon. Member for Horsham and I fail to understand why he did not answer the perfectly proper question that was put to him about the position of Lord Ashcroft. However, the right hon. Gentleman was following in the footsteps of the right hon. Member for Witney (Mr. Cameron), who also found himself strangely tongue-tied on the subject, in a press conference earlier.

When we are considering ethical issues and investments, I can give another example. I invite the Conservatives to take this one seriously, because it relates to them. They have received a series of donations from a company called Fidelity. The last such donation was for £25,000 in July. Fidelity deals with those who are creating the circumstances of genocide in Darfur. Darfur is a matter of great interest to hon. Members on both sides of the House and the Leader of the Opposition has often spoken about that issue—

Mr. Graham Stuart: Fidelity is an investment company.

Mr. Heath: So it is all right, then, to invest in the murderers in Darfur—*[Interruption.]* It is politics, someone suggests. Well, it may be the politics of the Conservative party, but it is not the politics of some of us. I hope that it will not be our politics in the future.

The second question that we need to ask about the big donors is why. Why are they giving money? Is it for preferment—

Mr. Spellar: Did you ask Michael Brown that question?

Mr. Heath: If Michael Brown thought that he was going to get preferment from the Liberal Democrats, he was delusional. *[Laughter.]* The right hon. Gentleman underlines the fact that if people give large donations, they seek preferment, baubles, influence, policy changes or something even worse that comes under the heading of corrupt practice. The political process can do without that. That is why it is so important that we have effective caps on donations.

Paul Farrelly (Newcastle-under-Lyme) (Lab): The Prime Minister has made it clear that the Labour party has apologised for what happened with the donations

[Paul Farrelly]

in question. Indeed, many of us wonder how the general secretary could have been so stupid. However, the hon. Gentleman must realise that he is on a very sticky wicket in talking about ethics and procedures, when it comes to Michael Brown. It is not every day that someone gives £2.4 million to the Liberal Democrats. Checks on the probity and sanity of that individual were clearly not made.

Mr. Heath: The Electoral Commission looked into the matter and said that the checks were all right, whereas it has said that the latest Labour party debacle was all wrong, and that is why it has been passed to the police for investigation.

I turn now to what we need in the future. It seems to me to be transparently obvious that caps on donations are only one side of the coin, and that we also need caps on expenditure. The third element that we must secure is stronger powers of scrutiny and investigation for the Electoral Commission.

That is why the talks with Sir Hayden Phillips, in which I participated, are the firm ground on which all parties can stand. There is no other, and it is no good for each of us, separately, to set out our own prescription and expect that to pass any test of objectivity. The importance of Sir Hayden Phillips's proposals appeared to be recognised by the right hon. and learned Member for Rushcliffe (Mr. Clarke)—

Mr. Clelland: Will the hon. Gentleman give way?

Mr. Stuart: Will the hon. Gentleman give way?

Mr. Heath: No, no. I am extraordinarily pleased that the right hon. and learned Member for Rushcliffe stood up to ask, from the Conservative Back Benches, why on earth the parties were not working together to adopt Sir Hayden Phillips's proposals. I accept that they are not perfect: for example, I should prefer lower caps than the ones that have been proposed. The Lord Chancellor was right that my party has a long record of wanting caps on donations, and I think that the Phillips proposals do not go far enough. Neither do I like the time scale, which I believe is far too elongated, although I think that that displays the natural caution of a senior civil servant more than anything else. I should prefer an accelerated procedure, but it is a matter of enormous regret to me that the Conservatives walked away from the deal.

Mr. Stuart: Talk about the unions.

Mr. Heath: The hon. Gentleman, from a sedentary position, invites me to talk about the unions, but we did so and in fact reached a broad consensus about them. That was fine until June, but then something happened in central office—I do not know what it was; perhaps someone came in and said something—and then for some reason the attitude of the Conservative party's negotiators changed and we were not able to have the meeting in July. When we came back, it was clear that there would be no conclusion to the talks.

Mr. Maude: I am grateful to the hon. Gentleman for giving way, but what he suggests is simply not the case. We had reservations about the proposals all the way through the negotiations. We wanted an agreement so that that long-term, sustainable reform could be put in place, but from the outset we said that the question of union funding had to be addressed. During the course of the discussions, it transpired that the system of affiliation fees was far more backward, and far more of a racket, than we had realised. In those circumstances, the reforms needed to be more radical than was originally envisaged, although their goal—that is, genuinely individual donations—needed to remain the same.

Mr. Heath: That is where I do not understand what the right hon. Gentleman is saying. It is true that we found disgraceful abuses in the way in which some unions administered their political funds, and we dealt with them in the negotiations. We asked people to go away and work on those problems: they came back with recommendations and, as a result, the proposals from Sir Hayden Phillips contain ways to deal with egregious abuses of the system. For example, unions will not be able to affiliate more members than they actually have, or pay over money that they have not received.

Ms Butler *rose—*

Martin Linton (Battersea) (Lab) *rose—*

Mr. Heath: Such abuses would no longer be possible, because the system would be even more transparent than the present regime, which was introduced by the previous Conservative Government to control union finances. Unless we recognise that the Labour party has had to move some distance to accept those changes towards greater transparency—and to accept the cap on donations from unions outside of affiliation fees, which is also an important part of the equation—we will not make progress.

Mr. Hugo Swire (East Devon) (Con): Will the hon. Gentleman give way?

Mr. Heath: No. I am not going to give way again, and I hope that saying so will save a lot of time. The right hon. Member for Horsham negotiated with us and he knows that my account is correct, although I still do not understand what caused the Conservative party to change its position.

Mr. Stuart: We wanted quality, not quantity.

Mr. Heath: From a sedentary position, the hon. Gentleman tells me something that we knew from day one of the inquiry.

Mr. Swire: Will the hon. Gentleman give way?

Mr. Heath: No, I have just said I will not give way.

Mr. Swire: This is meant to be a debate.

Mr. Heath: The hon. Gentleman tries me. I have given way to Members on both sides of the Chamber throughout my remarks, so it really is not acceptable to say "This is meant to be a debate" because I have not given way to him.

Mr. Swire *rose—*

Ms Butler *rose—*

Martin Linton *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. It is very apparent that at the moment the hon. Member for Somerton and Frome (Mr. Heath) is not prepared to give way to anyone.

Mr. Heath: I am grateful, Madam Deputy Speaker.

We must have proposals that we all agree will take us away from the culture of big donors. We must have proposals to deal with transparency and linkage in respect of trade union affiliation fees. We must accept that trade union donations beyond affiliation fees come within the rules on donors. We need real caps on expenditure, which need to be both local and national and both between and during elections. We need to end the abuse that has been growing over recent years, and which I tried to address in previous legislation that the Government did not support, whereby central parties spend large amounts in certain marginal seats on material that does not specifically refer to a candidate and thus falls outside the existing expenditure limits, but which is clear abuse of the spirit of the legislation. We need to give the Electoral Commission real teeth so that it actually becomes an investigating body rather than merely a reactive one.

The matter is urgent and we will not accept any party reverting to tribal type and simply trying to get the best deal in its own interest. We will not accept partisan legislation that deals with only part of the problem and not the whole. Consensus is possible and it should embrace all the parties in the House. I include the minority parties, which have an important locus in the matter. Throughout the course of the negotiations so far, I have said regularly that we must include not only the minority parties in the House, but also parties not represented in the House because they, too, have a legitimate voice.

Mr. MacNeil *rose—*

Mr. Heath: I give way because the hon. Gentleman is from a minority party.

Mr. MacNeil: The hon. Gentleman has made a raft of suggestions. Does he think we need an anti-corruption Bill with teeth, which would separate donations to political parties from places in the House of Lords, or vice versa?

Mr. Heath: There is scope for all sorts of legislation. In the last Session, I introduced a Bill on corruption and there is a case for strengthening the legislation. I do not want legislation that could be construed as partisan, but something that will pass the test of time. Perhaps something good can emerge from the demeaning and disgraceful episodes of the past few weeks.

We need a solution that is fair, transparent, sustainable and effective. We need parties that subscribe to the spirit as well as the letter of the law. Nothing less will be satisfactory to an increasingly disaffected electorate or for the health of our democracy.

5.54 pm

Tony Lloyd (Manchester, Central) (Lab): As chair of the parliamentary Labour party, let me begin by saying—

Mr. Graham Stuart: Sorry.

Tony Lloyd: Yes. Of course, we are sorry. There is a degree of synthetic anger among Opposition Members, but there is not a Member on the Labour Benches who is not rightly angry and annoyed at being so badly let down during recent events. There is no doubt that puts us in a difficult position before the British electorate.

People watching in the Gallery and on television are probably dismayed by the tone of parts of the debate, which descended into mutual cat-calling—I may do the same in a moment—but it is worth reminding the House that none the less the public are entitled to expect that we clean up our political act and do so in a non-partisan way that is not seen to be in the interests of any one party or any grouping of parties. That is why, like others, I regret the fact that the Conservative party chose to pull out of the Hayden Phillips process at a late stage, having previously made a public commitment in the Chamber, which we thought at the time was a genuine attempt to be constructive. Sadly, that proved not to be the case because in the end the Conservatives' vested interest outweighed the need to reach a proper conclusion.

As the hon. Member for Somerton and Frome (Mr. Heath) is not a leadership candidate, it will not be to his detriment when I say that I normally have a lot of respect for him. However, I think he dissembled a little on the question of Michael Brown. He said there were two questions to be asked—how and why. How did a rich donor become so rich? In the case of Mr. Brown, that question was not asked. Why was the donation made—what did the donor seek to gain? That question, too, was not properly addressed by the hon. Gentleman today.

More important, the Liberal Democrats should be considering not simply whether they complied with the spirit of the legislation in accepting the donation—I recognise that it was accepted in good faith—but whether it was legitimate to hold on to it when the money obviously came from crooked sources. They must consider whether their position on the matter is consistent with the cleanness and openness they now propose.

Mr. Swire: Does the hon. Gentleman agree that the Liberal Democrat spokesman might have sounded a little less sanctimonious if his party were committed to pay back other creditors of Mr. Michael Brown from the donation it received rather than waiting for the outcome of a court case?

Tony Lloyd: The hon. Gentleman makes an interesting point. In fact, the hon. Member for Somerton and Frome said it would be unreasonable for the money to go back to Mr. Brown. He also said that he had not been approached by any of Mr. Brown's creditors. Should they come forward, I hope that the hon. Gentleman will say that it is right and proper that those who were defrauded will be recompensed from Liberal Democrat sources.

Ms Butler: Does my hon. Friend think that the spirit of the law allows political parties to accept money from someone described by a judge as showing "deliberate and pointed" dishonesty?

Tony Lloyd: We have to look at the spirit of the law is. The Labour party is entirely in the wrong place at present and we have no excuses, but I hope that all parties will look at the spirit of the law.

I want to make two points. Today, the Conservatives were questioned about the role of Lord Ashcroft and whether he is a tax exile. They refused to answer those questions and Lord Ashcroft has made it clear that he will not answer them either. That completely contradicts the spirit of clean politics that the right hon. Member for Horsham (Mr. Maude) spoke about earlier. He told my hon. Friend the Member for Ealing, North (Stephen Pound) that questions about the origins of money from the Midlands Industrial Council had already been answered. That is not true and the right hon. Gentleman either knows it or should know it, because the MIC secretary, David Wall, announced that the names of new MIC donors would not be revealed. He said:

"If you're asking me would we make public announcements when we have a new member then no we wouldn't."

That is a clear statement, so I invite the right hon. Member for Horsham to confirm that from now on, in the spirit of openness, the Conservative party will make it absolutely clear who funds the MIC and bodies such as Scottish business groups, Focus on Scotland, the Carlton club political committee, Fresh Start and many others. We know that over the last few years, the Midlands Industrial Council has given some £2.8 million either to the Conservative party directly or to Conservative support organisations.

Stephen Pound: Will my hon. Friend give way?

Tony Lloyd: I will not, if my hon. Friend will forgive me.

If we are talking about openness and transparency, I invite the right hon. Member for Horsham to make sure that he operates on the same transparent basis as he asks of the rest us.

I want to put a slightly different hat on and talk about the role of the trade unions. The Conservative party would love to turn the debate on to that subject. Let me say this, without any fear of contradiction: the money coming from the trade unions into the Labour party is the most scrutinised money in British politics. The money given to my party and the one or two other parties that benefit from trade union moneys is so regulated that every pound is properly traceable. I say to Opposition Members that not only has that money not at any stage been challenged by the Electoral Commission or the certification officer, but the Neill inquiry said that it was satisfied with the way in which matters were handled. It is important that we establish that.

Mr. MacNeil: Will the hon. Gentleman give way?

Tony Lloyd: I will not, if the hon. Gentleman will forgive me.

In this country, we have a democratic trade union movement—one that even Opposition Members should be proud of. Our trade unions are not like the fixed trade unions in other countries. The trade unions have never run away from the idea of modernising their relationship with the Labour party. They are making it quite clear even now—when the leader of my party spoke at the weekend—that the relationship will be modernised.

There will be discussions within the ambit of the labour movement on a basis that will make it absolutely clear to trade union members where their money goes. In the end, it is accountability to members, and transparency, that matter. If my party had had that level of transparency with respect to private donors, none of us would be facing the allegations and charges that we face today. In that context, I am very proud of the trade union movement. I am proud of its link with the Labour party—a link that we do not intend to break. It is important that the Labour party continues to maintain links with the trade unions. That is an important part of Labour's democracy and the democracy of this country.

I make the following challenge to Conservative Members. The trade union movement has always offered to work with the spirit of the times and in the national interest. Will they ask Lord Ashcroft to do the same? Will they ask him to make it clear where his money comes from and whether he is prepared not to treat the Conservative party as a wholly owned subsidiary of Ashcroft enterprises—one that he has completely bought? Frankly, that is the only explanation for the Conservative party—under orders from its paymaster—turning away from the Hayden Phillips process.

Mr. Maude: Will the hon. Gentleman accept that the amount of money that Lord Ashcroft gives through his companies to the Conservative party is considerably less than that given by either Lord Sainsbury, who after all became a Minister in the Labour Government after being a major donor, or Mr. Mittal? The hon. Gentleman may recollect that there was outstanding a very substantial loan from one of Lord Ashcroft's companies to the Conservative party, which got repaid in full with interest.

Tony Lloyd: I would accept an awful lot more from the right hon. Gentleman if he would get Lord Ashcroft to make it quite clear where his money comes from and whether he pays tax on it in this country. That is the real challenge. Is the Tory party prepared to wean itself off the Ashcroft moneys and clean up its own house? In the end, that is the measure that the British public will judge the Conservative party on—not whether we can have an agreement across the different parties on a cleaner political system, but whether that agreement will operate only between the Liberal Democrat party and the Labour party, leaving the Conservative party once again on the sidelines, facing the allegation that it does not want to clean up British politics.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. I am sure that the House is aware of the fact that the 10-minute rule on Back-Bench speeches applies from now on.

6.4 pm

Mr. Andrew Tyrie (Chichester) (Con): The answer to the question from the hon. Member for Manchester, Central (Tony Lloyd) is that we certainly will be prepared to wean ourselves off the Ashcroft money if the Labour party is prepared to engage in meaningful trade union reform. Unfortunately, we have not seen that from Labour so far.

The occasion for this debate is another massive scandal about the way in which Labour has been funding itself over the past 10 years, but the real reason we are here goes much deeper and concerns both parties. We are here because a large proportion of the electorate believes that donations to political parties buy influence, access and honours—and, frankly, the public may be right. That is the canker at the heart of our otherwise largely uncorrupt system. I have never believed that the honours awarded in the 1980s were wholly unrelated to party donations, but since 1997 things have got much worse. It has not just been cash for honours. We have had Ecclestone, Mittal, PowderJect, Enron—the list goes on and on.

Mr. Straw: Enron?

Mr. Tyrie: The Labour party received £36,000 from Enron. The Secretary of State seems to have forgotten about that. I notice that he did not challenge the reference to PowderJect and all the others, either.

There is only one solution to the problem of large donations: to impose a cap on them. That cap has to be comprehensive and binding on trade unions—which wield enormous influence—companies and individuals, including Michael Ashcroft. The leader of my party, to his great credit, has recognised that and has been prepared to propose bold reforms. The reason we are here today, and the reason we have not got a settlement, is that so far the Labour party has not been prepared to come with us.

Under the current Prime Minister, we have not seen any evidence of real commitment to reform. Perhaps I should contrast that with what happened when I was initially involved in the negotiations two years ago. Then, it was quite clear that Tony Blair was prepared to undertake fundamental reform. He knew how dangerous it was for Labour to become too dependent on the unions for cash. That is probably why he got Lord Levy in at the beginning, more than a decade ago, to find some big donors to counterbalance union influence. It may have ended in tears, but it worked for Tony Blair for a time. He always knew that if he had to do without the unions, he could, and the union bosses knew that too.

It is so sad that we have had no substantive response to the scandal from the current Prime Minister. His statement on Saturday was completely substance-free. It was little more than an effort to deflect attention from what was going on in his party. In some ways, it was worse than that, because he distorted the truth. He alleged that Hayden Phillips had recommended local spending limits when he had done nothing of the sort.

Mr. Deputy Speaker: Order. I am not happy with "distorted the truth". Perhaps the hon. Gentleman would like to use a different phrase.

Mr. Tyrie: Are you happy with "misled the people of this country"?

Mr. Deputy Speaker: Certainly not. I would be very grateful if the hon. Gentleman chose a phrase that is suitable.

Mr. Tyrie: I used that phrase only because it happens to be the one that the Prime Minister used, and that was not ruled out of order, at the Dispatch Box a few weeks ago—

Mr. Deputy Speaker: Order. My concern is the words that are used in this debate.

Mr. Tyrie: I think that we can say that those listening to the Prime Minister might have found it difficult to work out exactly what he was proposing.

Mr. Straw: May I say to the hon. Gentleman, in rather more temperate language, that what he is claiming is simply incorrect? Paragraph B3 of the draft agreement from Hayden Phillips states:

> "A single overall limit will apply to the expenditure of each party, including all its constituent organisations whether national, regional, local or other."

Of course there is an issue about the discretion that will be exercised, but it is quite clear that Hayden Phillips has it in mind that local spending would be covered.

Mr. Tyrie: The right hon. Gentleman knows very well that it is up to each party to decide how to allocate spending locally, within the overall envelope. He also knows that he mentioned only one of a number of proposals made by Hayden Phillips. We want to put those other proposals in the public domain, but the right hon. Gentleman has flatly refused to allow us to publish them. All he has to do is tell Hayden Phillips that he would like to see them in the public domain; then the public could have a wider debate about all the other suggestions that have been put to us by him.

The right hon. Gentleman continues to contribute to the debate with views that any reasonable person might conclude appear to mislead. He repeated, mantra-like, the view that we started off with in the talks, together: that we were engaged in an arms race. He completely ignored the fact that during those discussions, comprehensive research was commissioned that shows the opposite to be the case. Hayden Phillips's team produced a detailed, thorough research paper, which I am not allowed to show the House because the right hon. Gentleman will not allow me, showing that the arms race had been greatly exaggerated, yet he persists with that mantra.

Mr. Straw: Does the hon. Gentleman deny that the limit that should have applied to both main parties was £40 million, and that as Hayden Phillips recites in his report, £90 million was spent in the year before the last general election?

Mr. Tyrie: Does the right hon. Gentleman agree that the paper produced showed decisively that in real terms there had been scarcely any increase at all in overall spending by the major political parties? Indeed, the lion's share of the increase that had been noted came from the Liberal party.

The main issue on which there has been obfuscation and denial is affiliation fees. They are not individual

[Mr. Tyrie]

donations. How could they be? Some 55 per cent. of affiliated trade union members do not even vote Labour, never mind want to make a donation to the Labour party. The Labour party really has to make up its mind: either it wants affiliation fees to continue to be treated as a collective donation, in which case they will have to be subject to the £50,000 cap proposed in the negotiations, or they should be treated as individual donations, in which case individuals should be allowed to choose whether they give the money, and to which party. I note that the right hon. Gentleman is not prepared to get to his feet and respond to that point.

Another of the myths that we often hear is that breaking the financial link with the trade unions destroys the Labour party. That of course is complete nonsense. The head of Tony Blair's policy unit, Matt Taylor, was refreshing in his honesty. He wrote:

"trade unions cannot be treated differently from any other donor...Individual trade unionists could be encouraged to join Labour directly...this could strengthen their relationship"—

that is, the relationship between the unions and the Labour party—

"rather than weaken it."

The New Democratic party, Labour's sister party in Canada, went down the road of reform and realised that it was extremely beneficial for it, both electorally and as regards its ability to formulate policy. Indeed, when the Select Committee on Constitutional Affairs went to Canada, Labour Members on the Committee were surprised and impressed by the enthusiasm for imposing a cap on unions' donations, and for breaking the financial link.

Ian Lucas: Will the hon. Gentleman give way?

Mr. Tyrie: If the hon. Gentleman will forgive me, I will not; I have already given way a number of times, and I want to make only one more short set of remarks on what is needed now. First, in the immediate future, it will be difficult to restart talks until Labour's position is more stable. I am still reflecting on the fact that for a year I have been sitting opposite Labour negotiators, one of whom has admitted systematically breaking the very rules that we were trying to improve in the negotiations. In our talks, that same man supported stronger investigative powers for the Electoral Commission. There are to be inquiries by Lord Whitty and the police, and we need to wait until we know where those inquiries are taking us, and with whom we will be negotiating.

Secondly, we must keep focused on the real source of the problem. When Tony Blair wrote Hayden Phillips's terms of references, he made that absolutely clear; the issue was about donations and transparency, not expenditure. The then Prime Minister was right. The crisis has been caused by the big donations culture over many years.

The ball is now in Labour's court. It must know by now that it cannot secure a meaningful or lasting agreement from the House while it is in a state of denial about the need to reform the union link.

The plain fact is that right now Labour is financing itself with the donations of millions of people who do not even vote Labour, never mind decide to donate to it. That is morally unacceptable, and it has to stop. The current treatment of affiliation fees is a legacy from a bygone era. In the 21st century we should have gone beyond the age of corporatism and collectivism. We Conservative Members want to work with Labour to clean up that tawdry area of politics, but to do so, we need a counter-party. If Labour comes forward with serious proposals to give genuine individual choice to millions of affiliated members, the talks can resume immediately. I very much hope that after reflection, the Prime Minister will deliver what is required to get the talks going again.

6.16 pm

Mr. David Winnick (Walsall, North) (Lab): We have been asked to shorten our contributions. It will not come as a surprise to anyone in the House to hear that the debate has not helped us to advance towards a solution on party funding. No one expected that it would; Opposition day motions do not normally lead to a calm atmosphere. We are in the same position that we were in previously.

I intend to make what might be described as critical comments about contributions to my party, but first, as far as Lord Ashcroft is concerned, it would have been much better if we had clarified his tax status. It is simply impossible to believe that a person who bankrolls Tory candidates in marginal constituencies does not even pay tax in the United Kingdom. They will not say so in this debate, but privately a number of Conservative Members must have at least some reservations about the role that Lord Ashcroft plays, even more so if he does not pay income tax in the United Kingdom. As for the Liberal Democrats, it would have been far better for their party's integrity if the £2.5 million had been returned, somehow or other. I was not altogether impressed by the excuse that was given.

When we hear about accusations such as those made today, at least we can say that no Member of Parliament is being accused of being paid for asking questions, and no money in brown envelopes is being passed around, so I suppose that, to some extent, we have made some progress. It should not be forgotten that the Committee on Standards in Public Life only came about as a result of the media's exposure of what was going on in those days. Of course I accept that only a small minority of Conservative MPs was responsible, but their actions undoubtedly brought Parliament into disrepute. When the Committee was set up—it was known of course as the Nolan Committee, after its first chairman—John Major was clear that it would not be able to look into party funding; that was excluded. The present Government are to be congratulated on removing the bar on the Committee looking into party funding. Legislation was introduced and other reforms were carried out. Those reforms were absolutely essential, and many of us campaigned for them when we were in opposition.

Having said all that, I am concerned that my party has been lax—I might say far too lax—in receiving donations from very rich individuals. I have had concerns and apprehensions about that for some time. No, I have not raised it on the Floor of the House, but I did mention it on one occasion at a private meeting of Labour MPs. I felt that those donors, with some

exceptions, wanted to be on the winning side in 1997, but they had no genuine commitment to what my party has always stood for. I understand that in all those circumstances, if they were willing to donate, the leadership of the party took the view, "Why shouldn't we receive the money?"

Mr. Swire: The hon. Gentleman is a veteran parliamentarian and he is suggesting that 1997—year zero—was the first time that such benefactors came forward to assist the Labour party, but he will well remember the lavender list, Sir Eric Miller, Peachey Properties, Lord Kagan, Poulson and T. Dan Smith in the north-east, where Mr. Abrahams hails from. Is he going to whitewash everything that went before 1997, or is the Labour party, too, culpable in these matters?

Mr. Winnick: The hon. Gentleman will get his brownie points for making such party points. He has got it off his chest. I am aware of all those names. If he is asking me whether I am proud that such people were involved—they go back to the 1970s and were few in number—of course I am not proud of it. I am ashamed. That goes for everyone in the Labour party, whether we are Labour Members of Parliament or not. All those who are active in our political movement and in the trade unions are ashamed of all those matters. We have never said otherwise.

Why do these very rich individuals want to contribute? In my view, with some exceptions, as I said, they want rewards. They want to end up in another place or get a knighthood. The hon. Member for East Devon (Mr. Swire) smiles. I have a list of the top 10 companies that donated to the Conservative party between 1979 and 1992—United Biscuits, Hanson, Taylor Woodrow, George Weston Holdings and the rest. It is interesting that in eight of those 10 companies, every company executive or chair received some kind of reward: in the case of United Biscuits, that was one peerage and one knighthood; in the case of Hanson, two peerages; Taylor Woodrow, one peerage and one knighthood; P&O—we know about P&O, do we not?—one peerage and three knighthoods, and Glaxo, two knighthoods. Of the two companies that did not receive anything, one, George Weston Holdings, was headed by a Canadian, and the other company had two directors, of whom one was a hereditary peer.

Ms Butler: Can my hon. Friend tell the House whether Mr. Abrahams has been given any peerages for his donations?

Mr. Winnick: I think we can all work on the safe assumption that Mr. Abrahams will not be getting a peerage of any kind from anybody at any time.

Mr. MacNeil: I have been listening to the hon. Gentleman's long list. Is he telling the House that the Labour party and the Conservative party are as bad as each other?

Mr. Winnick: I am not suggesting anything of the kind. The Scottish national party is not in a state to give us lectures on integrity, bearing in mind some of the remarks that have been made.

I have criticised my own party, but all the political parties should be far more reluctant to receive money from very rich individuals. I am suspicious of their motives for contributing and I have given an example. No doubt examples could be given of those who have contributed to my party and received awards in the past 10 years.

Mr. MacNeil *rose—*

Mr. Winnick: No, I will not give way.

What are required—we will not get them today, but hopefully over time—are the common-sense solutions that the public want. The public are cynical about party funding. In our constituencies they probably say that we are all as bad as each other. What happened in the 1990s brought Parliament into disrepute. Anything that brings this institution into disrepute is a blow to parliamentary democracy. I hope that as my right hon. Friend the Secretary of State for Justice suggested, in future talks in a calmer atmosphere, we can look at possible solutions, one of which is a cap on donations from private individuals; another is less money being spent in local and national campaigns.

Some of the money that is spent in general elections, referred to as the arms race, serves no purpose—for example, the Tory posters in 1997 about Tony Blair's eyes. Was a single extra Tory vote gained as a result? Having criticised Tory posters, I should say that some of our own posters have not been all that brilliant. Finally, a limit on the money spent in constituencies between elections would do no harm at all.

I look forward to a period, hopefully during this Parliament, although I am not optimistic, when agreement can be reached between the parties on party funding. That is what the public want. We often say that we want to serve the public. I say without hesitation that the overwhelming majority of the public who take an interest in this matter would like us to find a solution, instead of the constant accusation and counter-accusation that is made on so many occasions. We need to clean up our act and we should do so as quickly as possible.

6.26 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): The Prime Minister promised competence, but what he has given us is the first run on a British bank for over 100 years, half the adult population's personal details lost, and an election that never was.

We have not heard much in the debate about the conduct of the Secretary of State for Work and Pensions. I ask the Justice Secretary one straight question: does the Prime Minister have full confidence in the Secretary of State for Work and Pensions? Let me explain why I ask that question. Jon Mendelsohn, Labour's chief fundraiser, gave the Secretary of State a £5,000 donation for his deputy leadership campaign, but the Secretary of State's office and his aides were so incompetent that they did not bother to do one of the most basic things—that is, register it with the Electoral Commission. Yesterday, the Secretary of State admitted that further donations to his campaign were

"not registered as they should have been".

[Mr. David Ruffley]

Although the Secretary of State for Work and Pensions might not be very good at making declarations of contributions, he managed a declaration of "extreme regret", adding that he was preparing a full declaration to the Commission.

Ian Lucas: Will the hon. Gentleman give way?

Mr. Ruffley: Time is short. I shall make some progress.

The Secretary of State for Work and Pensions has belatedly said that he is reviewing all donations during the campaign this year. Why cannot he or his aides fill us in today on the source of the donations, how many there were, or the total value? Keeping such records should not be difficult. Is it because the donations went through a convoluted route? Can the Minister tell us today?

If the Secretary of State for Work and Pensions cannot understand the electoral law on a matter relating to his own campaign, what confidence can the British public have in his grasp of something infinitely more complicated in his Department, such as the social security system, the Pension Service or the Child Support Agency, for which he is personally responsible? I imagine that benefit fraudsters throughout Britain are having a laugh at his palpable failure to adhere to strict legal rules. When their pension credit is miscalculated yet again, pensioners will not be so amused by the Secretary of State's behaviour, and single parents struggling with the Child Support Agency are unlikely to have their confidence in that organisation boosted by what is happening at the top.

Stephen Pound: On a point of order, Mr. Deputy Speaker. Can you guide the House on the appropriateness or otherwise of an attack of such intemperate nature being made upon a right hon. Member who is not present?

Mr. Deputy Speaker: The hon. Member for Bury St. Edmunds (Mr. Ruffley) is addressing the House. He is relating his remarks to the subject of the debate. If he were not in order, I would have stopped him.

Mr. Ruffley: I am most grateful, Mr. Deputy Speaker.

The heat has been taken off the right hon. Member for Neath (Mr. Hain) by the game refusal of Ms Wendy Alexander, the Labour leader in the Scottish Parliament, to resign. She is, of course, a friend and ally of the Prime Minister. Although we quite accept that she would not deliberately have tried to commit a criminal offence for the lowly sum of £950, we have to ask what she could have been thinking of, given that the Jersey-based donor, Mr. Paul Green, said today on Scottish radio:

"This has to be gross mismanagement...I cannot understand why they"—

meaning the Labour party—

"continue to maintain that the donation had come through a UK company when I had a letter from Wendy Alexander thanking me personally."

May I ask the Minister whether the Prime Minister has full confidence in Ms Wendy Alexander and her competence? The fact is that she is the Prime Minister's lightning rod—if she were to resign, it could lead to a domino effect of further resignations, starting with that of the right hon. and learned Member for Camberwell and Peckham (Ms Harman), deputy leader of the Labour party, in relation to whom the Prime Minister said:

"The money was not lawfully declared."

Although the British public are not much impressed by the rank incompetence that I have described, there is something that they dislike more: Labour's self-serving attitude. My right hon. Friend the Member for Witney (Mr. Cameron) has famously proposed for all parties a cap on donations—whether given by businessmen, individuals or trade unions—to reduce dependency on large donors. We heard about it in detail from my hon. Friend the Member for Chichester (Mr. Tyrie). Shamefully, the Labour party has blocked the proposal, asserting that union affiliation fees should be exempt from any cap on donations. Yet those fees are decided by union bosses; they are not the result of the active decisions of individual union members to donate to the Labour party. We are asked to believe that a donation from a trade unionist is independent while a block donation from a trade union is not. The Labour party national executive committee has pledged on the record vigorously to oppose plans for capping. It has said:

"the Labour Party cannot accept a statutory uniform donation cap...it would undermine the Labour Party federal structure".

Yet Sir Hayden Phillips stated that

"a limit on donations need not in my view challenge the Party's constitutional relationship with the trade unions".

Why did he say that, and why did the union paymasters say something different?

Is it a coincidence that the Labour Government are moving ahead with more than 60 concessions to the trade union movement under the banner of the 2004 Warwick agreement? That deal included a £10 million taxpayer-funded modernisation fund for the unions, the weakening of anti-strike legislation and the shelving of plans to align the retirement age for public sector workers with that for private sector workers—a disgrace.

Labour's logic—I hope the House will forgive the exaggeration—is flawed and self-serving. Last summer, the Prime Minister promised to take crime off the streets; we did not know that he was going to shove it into Labour HQ.

6.33 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): It was the Secretary of State for Health who said that this had been a lousy week for the Labour party, but it has been a depressing and dismal week for all who have an interest in democratic politics. To be fair to it, the Labour party has admitted that it is culpable in respect of the stories of the past few weeks. However, the consequences are shared across the whole of politics; it all feeds into the cynicism with which many people regard politics today. At a time of falling participation, it is in all our interests to clean up politics, as the hon. Member for Walsall, North (Mr. Winnick) said. I hope that we can all get behind that.

Ian Lucas: Will the hon. Gentleman give way?

Adam Price: I am sorry, but there is no time—*[Interruption.]*

Mr. Deputy Speaker: Order. Not for the first time, the hon. Member for Wrexham (Ian Lucas) has pursued an attempted intervention when it has been clear that the Member addressing the House is not going to give way.

Adam Price: This is not a Westminster village story alone. A Jersey businessman has given a donation to the Scottish Labour leader that turned out to be illegal, and a businessman from the north-east of England has given illegal proxy donations. As we heard, another donation, in respect of a dinner in Wales connected to the Secretary of State for Wales, should have been registered but was not put into the public domain.

Ian Lucas: On a point of order, Mr. Deputy Speaker. Is it in order for one hon. Member to attack the conduct of another when the hon. Member making the attack has been found by a Committee of the House to have broken the rules of the House, but has not apologised to the House? Will the hon. Member concerned, who is here now, take this opportunity to apologise for his misconduct?

Mr. Deputy Speaker: I shall deal with the hon. Gentleman's point of order as I dealt with the earlier one. I am in charge of the debate this afternoon, and had the hon. Gentleman been out of order, I would have reminded him of that fact.

Adam Price: I say to the hon. Member for Wrexham (Ian Lucas) that simply saying, "They are as bad as us," is not a positive message to send to the public. [HON. MEMBERS: "Say sorry!"] I expressed my regret to the Committee in question—*[Interruption.]* I did, in actual fact. The hon. Gentleman will be able to see the speck in my party's eye if he admits the mote in his own. We all have an interest in cleaning up politics, and that is what we should be debating.

Part of the problem is not only the original crime but the lack of candour that follows it. We have seen that in Scotland recently. We were told that Wendy Alexander did not know anything about the donation, but subsequently a letter that thanked the donor in question came to light. The letter said:

"Scottish Labour will reform, renew and reconnect with the Scottish people. We will earn their trust again".

That is no way to earn the trust of the people of Scotland or any other part of the United Kingdom. Subsequently, we heard about the Cardiff dinner in April, in respect of which a donation that should have been declared by the Secretary of State for Wales was not. I do not know what it is about the Labour party and dinners in April; we have heard about the other dinner between Jon Mendelson and David Abrahams. We must have clarity on the issue. The Secretary of State for Wales has admitted that there were other unregistered donations. Will the Minister tell us how many unregistered donations there have been and whether any other Labour politicians gave money to the campaign of the Secretary of State for Wales? Were any ministerial meetings discussed or held as a result of that fundraising dinner?

The Secretary of State for Wales broke not only Electoral Commission rules, but Labour party ones. He should have given 15 per cent. of all moneys raised to the Labour party. He broke his own party's rules as well as those on donations that the Government made law. There is simply no excuse for that. We all lose as a result of such behaviour; that, unfortunately, is the reality.

As many hon. Members have said, we need a cap on donations, but we also need a level playing field. The people will not understand if the Labour party produces a Bill that is seen as one-sided—with a cap on one side of the equation, but no reform of trade union funding on the other. Senior members of Plaid Cymru received election ballots on the Labour party deputy leadership campaign. They never ticked the box relating to the affiliated political fund, yet they were counted as funders of the Labour party. That is because, unfortunately, it appears that a small number of individuals within trade unions abuse the system. Unless we get clarity on that, we will not have a level playing field on party funding. Let us all get behind a proper party funding Bill that will finally take out of British politics that kind of sleaze, which ultimately undermines all politics for all political parties.

6.39 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): The Labour party funding scandals appear to be rolling out on an almost daily basis, with varying degrees of subterfuge and criminality involved. They have corroded public trust in democracy in Britain. The party that swore in opposition to be purer than pure is mired so deeply in the muck that it is in danger of drowning in it.

I agree with the hon. Member for Carmarthen, East and Dinefwr (Adam Price) that the debate should give no one pleasure. Certainly, we do not take a holier-than-thou approach, as the Lord Chancellor suggested. Today we have heard a story of abuse of the law and lack of ethical practice, which breaks the heart of our political governance. As my hon. Friend the Member for Chichester (Mr. Tyrie) recognised, this is a tragedy of a Government drunk with complacency, power and disdain— a tragedy not only for the people of our country but, as the hon. Member for Somerton and Frome (Mr. Heath) said, for the very laws that they passed in their failed attempt to provide transparency for the funding of our democratic system.

The Lord Chancellor attempted to take the high ground when in fact he had no ground to stand on. At least the hon. Member for Manchester, Central (Tony Lloyd) provided something that approached an apology. Will the Minister do the same in her closing remarks?

Police corruption investigations have started on individual cases and will follow their course. Many more, mainly unanswered questions have emerged from the debate today, not least those of my right hon. Friend the Member for Horsham (Mr. Maude), my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) and the hon. Member for Somerton and

[Mr. Jonathan Djanogly]

Frome, who said that the jury was out on whether we were considering incompetence or conspiracy. I tend to agree with that.

We must also concentrate on the system itself. The motion deals with the crafty rise in state funding for political ends organised by Labour, whether through Government special advisers and communications officers in Whitehall or the communications allowance in Parliament. The attempts by some hon. Members, including the hon. Member for Bolsover (Mr. Skinner), the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), the hon. Members for Birmingham, Erdington (Mr. Simon), for Manchester, Central and for Walsall, North (Mr. Winnick), to argue that all parties are as bad as each other was pathetic in the context of the debate.

The Labour party's fascination with Lord Ashcroft's input as deputy chairman of the Conservative party is bizarre. As Lord Ashcroft recently noted, the candidates fund, which he chairs but does not control, mainly comes from donors other than him. At £2 million a year, it amounts to only around 15 per cent. of the party's total annual spending.

Let me tackle the core of the debate.

Stephen Pound: Will the hon. Gentleman give way?

Mr. Djanogly: I gave up a third of my time so that other hon. Members could speak, so I shall not give way.

The core of the debate is the relationship between Labour and the trade unions. I say "the core" because, last year, Labour received donations of £11.8 million, of which £8.6 million—or 73 per cent.—came from the trade unions.

Mr. Simon: Will the hon. Gentleman give way?

Mr. Djanogly: What might the funding have delivered for the unions? Since Labour came to power—

Mr. Simon *rose—*

Mr. Deputy Speaker: Order. Perhaps we could conclude the debate in a slightly more civilised manner. The hon. Gentleman is not giving way at the moment.

Mr. Djanogly: Thank you, Mr. Deputy Speaker. I have given my reasons for not giving way.

Since Labour came to power, some 18 Acts and 200 statutory instruments dealing with employment legislation have been passed. That includes the introduction of the £10 million so-called union modernisation fund, which has so far handed out £5.8 million of taxpayers' cash to fund projects such as building links between the T and G and the Polish workers association, expanding ASLEF's website and—wait for it—supporting online discussion forums at the TUC. *[Interruption.]* My hon. Friend the Member for Bury St. Edmunds made a similar point. The Government constantly talk about their modernisation agenda, but when we talk about modernisation— *[Interruption.]*

Mr. Deputy Speaker: Order. May I say to hon. Gentlemen and hon. Ladies that constant interventions from a sedentary position are not allowed. They simply disrupt the debate and have no sensible effect. If hon. Members wish to intervene, they must stand in the normal way and if the Member on their feet does not want to give way, that is the end of it.

Mr. Djanogly: When we talk about modernising unions, the reaction in previous debates has been that the Conservatives did that 30 years ago and that the matter does not need further consideration. That was the extent of the Government's bias.

Under huge pressure, last weekend the Prime Minister at last conceded the connection between the political contribution that a union member makes as an individual and that money ending up in the Labour party's coffers. For those who think that that is stating the obvious, it is not. Indeed, as my right hon. Friend the Member for Horsham pointed out, some unions have made larger contributions than can be attributed to their political fund contributing members. If we also consider that some unions affiliate at regional and local level, and that other help, such as manpower, which the Lord Chancellor described as completely transparent, is unrecorded, existing transparency and reporting are nothing more than a joke. If the Prime Minister thinks that his paltry weekend rehash of existing proposals will be perceived as anything other than a smokescreen for his party's huge complacency and failings, he should think again.

The Prime Minister is unwilling to follow through the logic of accepting the individual position over the collective position of union members. The so-called openness of Labour and unions to changing their relationship, which the hon. Member for Manchester, Central described, is not the historic position. However, I hope that it is the position now. Yes, the Prime Minister said that the 30-year-old opt-out rights for union political contributions should now be clearly stated to members, but they have certainly not been to date.

Why, in this day and age, should an individual be assumed to want to contribute to a political party for which he probably did not vote? As my right hon. Friend the Member for Horsham explained, we need to keep in mind the fact that most trade unionists are not Labour voters. The 2005 British election survey revealed that 54.3 per cent. of trade unionists voted for parties other than Labour. That is why there should be a specific opt-in to making political fund contributions. I opt in to paying my membership of the Conservative party, and so should someone who pays money to the Labour party. Union members who opt in to paying into the political fund should also, as my hon. Friend the Member for Bury St. Edmunds noted, have the right to decide to which political cause their money goes.

The regulatory framework for unions, through the certification officer, is clearly in dire need of modernisation. We are especially concerned that there should be a review of the relationship between the certification officer and the Electoral Commission, not least as regards registering political donations. In July, a written question revealed that the Electoral Commission had no record of any meeting with the

certification officer or his representatives. That is no way to run a system to monitor union contributions.

The Lord Chancellor appeared to be desperate to move on with funding talks, but flip-flopped about including unions, as my hon. Friend the Member for Chichester spotted. We need to change the law and set funding limits but we also need to update the modernisation of unions. That clear message comes out of the debate.

We still have a problem that will not go away. No matter how many laws are passed, legislation is no substitute for integrity. We currently have laws that require timely disclosure of donations, which Labour has broken. We also have laws that require people to declare their indirect donations, which Labour has again broken. We could introduce more laws, and then Labour could flout them, too. If the Liberal Democrats or anyone else think that using state funding will improve the ethics of party funding, they should think again. Nothing shows that to be the case.

As my hon. Friend the Member for Chichester said, the Conservative party has a problem. We could discuss new funding proposals with Labour and the Liberal Democrats for ever and a day, but are the Government capable of abiding by whatever rules we finally agree? Can Labour be trusted to deal with us fairly on funding? The great questions here, as matters stand, are: can Labour be trusted to deal with us fairly on funding and, more important, can it be trusted by the British people?

6.48 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I should have liked to thank all hon. Members for a positive, thought-provoking and inspiring debate, but I doubt, given your recent remarks, Mr. Deputy Speaker, about interventions, that that would have been a strictly accurate description of the past couple of hours. However, I want to put on record my thanks, especially to the hon. Member for Somerton and Frome (Mr. Heath) for his measured response to the debate and for the fact that he, like us, still wants to make progress in the next weeks and months on party funding.

I also particularly want to thank my hon. Friend the Member for Manchester, Central (Tony Lloyd), the chair of the parliamentary Labour party, who apologised for the incidents that have taken place in the past couple of weeks—as indeed do I, and as did the Prime Minister, very clearly, as soon as he knew. The hon. Member for Huntingdon (Mr. Djanogly) should listen more carefully to some of these things.

I could not agree more with my hon. Friend the Member for Walsall, North (Mr. Winnick), who said that anything that brings Parliament into disrepute is a blow to parliamentary democracy. Maintaining and rebuilding faith in political parties is vital for us all, and I continue to hope that hon. Members from all parties will engage constructively in taking this forward. How political parties are funded matters because of the central role that they play in democracy. We should be able, in this democracy of ours, to have debates and conversations about the importance of political parties instead of the kind of debate that we have had today.

The most recent review of party funding concluded that

"the debate about the financing of our political parties is"

therefore

"a debate about the health of our democracy and how we can improve it."

Angus Robertson (Moray) (SNP): Why did the Hayden Phillips talks include only the three UK parties in the discussions on a formal and ongoing basis? Will the hon. Lady give a commitment that future talks will, on the basis of equality, include the political parties of Northern Ireland and the parties of government of the Scottish National party and Plaid Cymru?

Bridget Prentice: I realise that the hon. Gentleman has come into the debate only in the past couple of minutes, but he will know that my right hon. Friend the Lord Chancellor and I will be more than happy to have discussions with him about how we take these matters forward.

It is vital that political party finances are, and are seen to be, completely transparent and above board. If we are to command high levels of public support, funding arrangements must be fair and transparent. We have gone a considerable way to introducing transparency. With all-party support, we sought to tackle the problem of excessive spending through the Political Parties, Elections and Referendums Act 2000, which reflected the key recommendations of the Committee on Standards in Public Life, chaired by Patrick Neill. It is worth reminding the House of what that Act did. It introduced a national limit on campaign expenditure, created the Electoral Commission, made the funding system more transparent, required all donations above £5,000 nationally and £1,000 locally to be made public, and outlawed foreign donations.

It is clear that we now need to move beyond the recent specific issues and consider the basis of the funding of our parties for the future. In the Queen's Speech, we said that we would bring forward proposals to reform party finance and expenditure, and we intend to develop a comprehensive package of reforms building on the principles established by Sir Hayden Phillips's inter-party review, which reported in October. That review, which was supported at the time of his March report by the official Opposition as well as by the Liberal Democrats, identifies important principles that should underpin the way forward.

In particular, Sir Hayden identified the key flaw in the system as the political spending arms race, whereby expenditure has spiralled upwards even as party membership has declined. I understand that the official Opposition want to deny that that arms race exists but, given that the money spent between the two main parties in the 12 months before the last general election rose to £90 million, which was nearly 40 per cent. up on the £65 million spent during a similar period in 2000-01, that is clearly what we have before us. Sir Hayden said that the 2000 Act

"sought to control the level of spending, but it has proved inadequate to the challenge."

Mr. Tyrie: Will the hon. Lady acknowledge that Hayden Phillips produced a comprehensive paper showing conclusively that, since 1992, expenditure on general elections by the political parties has increased by less than incomes and only fractionally more than

[Mr. Tyrie]

zero in real terms? Will she now agree to do what her colleague studiously refused to do, which is to allow these documents to be put into the public domain so that we can end the position whereby we debate on the basis of speculation rather than fact?

Bridget Prentice: I am afraid that I have to say to the hon. Gentleman, whose constituency association receives funding of some £3,000 from the Churchill Luncheon Club, that his analysis of Sir Hayden's report as regards the increase in expenditure is plain wrong. In fact, Sir Hayden shows that support for the principle of continuous spending limits at a national level is crucial. The importance of effective spending limits cannot be overstated. The Constitutional Affairs Committee observed that the United States is a constructive example of the way in which we would not want this country to go if spending were left unchecked.

We heard many comments about trade unions and donation caps. Sir Hayden acknowledged the distinction between affiliation fees paid to political parties by trade unions, which are in effect an aggregation of individual donations, and the other donations that are paid to parties from trade unions. He recommended that the process for treating political levy donations individually should be more transparent and traceable. We accept that, and we are committed to bringing greater transparency to political donations, as my right hon. Friend the Prime Minister said only yesterday. Other donations from trade unions would be subject to any cap on donations, treating the trade unions in the same way as other major donors to political parties. Both the Constitutional Affairs Committee and Sir Hayden's review said that limiting donations to political parties from private sources would require an increase in financial support from public funds. As my right hon. Friend the Lord Chancellor said, we are yet to be convinced that there is public acceptance of an extension of state funding, but we will continue to consider and consult on that issue.

Mr. Simon: The hon. Member for Huntingdon (Mr. Djanogly) was so pious about party funding by the state, but will his party offer to give back the £35 million of taxpayers' money that it has been spending on political spending in the past decade?

Bridget Prentice: Of course, it is not for me to answer for the official Opposition, but if my hon. Friend is referring to the fact that this Government have increased the money that is given to the Opposition parties, particularly the £4.4 million that the Conservatives now get from Short money, that is worth reflecting on.

I hope that we will get all-party consensus on the way forward, but we will not accept one-party deadlock—a breakdown that serves only to block progress. *[Interruption.]*

Mr. Deputy Speaker: Order. We must not have these private conversations while the Minister is addressing the House.

Bridget Prentice: Thank you, Mr. Deputy Speaker.

I hope that the official Opposition will reflect on the views that were expressed by the shadow Leader of the House in March this year:

"We welcome the publication of Sir Hayden Phillips' report. We accept his main recommendations...we are happy to discuss spending caps on all year round non-election campaigning and proposals for tighter controls on third-party expenditure".—[*Official Report*, 15 March 2007; Vol. 458, c. 469.]

I hope that the Leader of the Opposition is not going down the road advocated by the recent treasurer of the Conservative party, Lord McAlpine, who said in his autobiography, "Once a Jolly Bagman":

"Personally, I do not think that we ever should have shown how we spent our money. The Conservative Central Office is not a charity dedicated to helping the sick and the suffering...There was a black hole in the Party's finances...The solution was easy: we gave up publishing accounts."

If that is the level of debate from the Conservatives, I suspect that we will not get very far in all-party consensus, but nor will we allow them to stop us and other parties moving forward and making party political funding transparent, clear and easy to follow.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 160, Noes 341.

Division No. 019] **[6.59 pm**

AYES

Afriyie, Adam	Fallon, Mr. Michael
Ainsworth, Mr. Peter	Field, Mr. Mark
Amess, Mr. David	Francois, Mr. Mark
Ancram, rh Mr. Michael	Fraser, Mr. Christopher
Atkinson, Mr. Peter	Gale, Mr. Roger
Bacon, Mr. Richard	Garnier, Mr. Edward
Baron, Mr. John	Gauke, Mr. David
Benyon, Mr. Richard	Gibb, Mr. Nick
Bercow, John	Gillan, Mrs. Cheryl
Beresford, Sir Paul	Goodman, Mr. Paul
Binley, Mr. Brian	Gove, Michael
Blunt, Mr. Crispin	Grayling, Chris
Bone, Mr. Peter	Green, Damian
Bottomley, Peter	Greening, Justine
Brazier, Mr. Julian	Grieve, Mr. Dominic
Browning, Angela	Hague, rh Mr. William
Burns, Mr. Simon	Hammond, Mr. Philip
Burrowes, Mr. David	Hammond, Stephen
Butterfill, Sir John	Harper, Mr. Mark
Campbell, Mr. Gregory	Hayes, Mr. John
Carswell, Mr. Douglas	Heathcoat-Amory, rh Mr. David
Casn, Mr. William	Hendry, Charles
Clark, Greg	Herbert, Nick
Clarke, rh Mr. Kenneth	Hoban, Mr. Mark
Clifton-Brown, Mr. Geoffrey	Hogg, rh Mr. Douglas
Conway, Derek	Hollobone, Mr. Philip
Cormack, Sir Patrick	Holloway, Mr. Adam
Cox, Mr. Geoffrey	Horam, Mr. John
Davies, Philip	Hosie, Stewart
Davis, rh David *(Haltemprice and Howden)*	Howarth, Mr. Gerald
Djanogly, Mr. Jonathan	Hunt, Mr. Jeremy
Dorrell, rh Mr. Stephen	Hurd, Mr. Nick
Dorries, Mrs. Nadine	Jenkin, Mr. Bernard
Duddridge, James	Johnson, Mr. Boris
Duncan, Alan	Key, Robert
Duncan Smith, rh Mr. Iain	Kirkbride, Miss Julie
Dunne, Mr. Philip	Knight, rh Mr. Greg
Ellwood, Mr. Tobias	Laing, Mrs. Eleanor
Evennett, Mr. David	Lait, Mrs. Jacqui
Fabricant, Michael	Lansley, Mr. Andrew

Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stewart Jackson and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Heal, John
Heath, Mr. David
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid

Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Oiner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes: **Mr. Alan Campbell and Mr. Dave Watts**

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 300, Noes 198.

Division No. 020] **[7.14 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom

Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Oiner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Reynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davies, Mr. Dai
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Green, Damian
Greening, Justine
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart

Howarth, David
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Jeremy Wright and
Mr. Stewart Jackson

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that political funding reform is essential to the future health of democracy in the UK and that Her Majesty's Gracious Speech said that the Government would bring forward proposals on the regulation of party finance and expenditure; regrets that a comprehensive reform package was not achieved by the inter-party talks owing to the unilateral decision of the Conservative Party to walk away from a draft agreement put to the parties by Sir Hayden Phillips, despite the fact that the draft agreement faithfully reflected recommendations in Sir Hayden's 15th March 2007 Report, which they had earlier welcomed; and urges all parties to engage constructively in order to achieve lasting reform in the public interest.

Department for Environment, Food and Rural Affairs

Mr. Deputy Speaker (Sir Michael Lord): I inform the House that Mr. Speaker has selected the amendment standing in the name of the Prime Minister. I remind the Members that there will be a 10-minute limit on Back-Bench speeches.

7.25 pm

Mr. Peter Ainsworth (East Surrey) (Con): I beg to move,

That this House deplores the performance of the Department for Environment, Food and Rural Affairs; regrets that it has been responsible for huge and avoidable costs to farmers and taxpayers; notes with concern the significant cost overruns in the Department's programme and administration budgets; and believes that planned budget cuts of £270 million will further undermine efforts to deliver policies which tackle climate change, promote the farming industry and enhance the natural environment.

Recent weeks have witnessed a series of events that have raised fundamental questions about the competence of the present Government—the handling of the Northern Rock crisis, the loss by Her Majesty's Revenue and Customs of the personal details of millions of families, and now allegations of illegal fundraising. All those seem to be stark evidence that Labour has lost the plot. As anyone who has had half an eye open to issues affecting rural areas, farming and the environment will tell you, Mr. Deputy Speaker, one Government Department has for several years jostled with the Home Office for the honour of setting the pace in the incompetence stakes. The fact that others are catching up is no reason to let the present Secretary of State off the hook.

Throughout its relatively short and undistinguished life, the performance of the Department for Environment, Food and Rural Affairs has been, frankly, abysmal. In fact, the list of DEFRA failures is so extensive that this could end up being a very long speech. However, I am aware that a large number of hon. Members wish to contribute, so I will restrain myself.

DEFRA was cobbled together following the terrible mismanagement of the foot and mouth crisis in 2001. It was rumoured at the time that, as well as the political necessity of culling the old Ministry of Agriculture, Fisheries and Food, one of the reasons for setting up the new Department was to give the right hon. Member for Derby, South (Margaret Beckett) a job that met her aspirations. Almost immediately, it acquired two alternative nicknames—"Deafear" and "Deathrow", both of which turned out to be strangely appropriate!

Since its early days, beset by a catalogue of failures, the Department has lurched from one crisis to the next. At the heart of our agricultural industry and as custodians of our landscape, farmers should feel that DEFRA is fighting their corner, not letting them down. The Department's initial response to a growing awareness that something was wrong with the Rural Payments Agency was characteristic: it denied that there was a problem at all. I say it was characteristic because this is a Department that lives in a permanent state of denial about its own inadequacies.

Let us take today's amendment by the Prime Minister to our motion. It

"commends the Government on its swift and effective action to deal with...disease outbreaks...in 2007",

without, of course, mentioning that the foot and mouth outbreak was started because of faulty drains at a laboratory site licensed by DEFRA. It also omits to mention that the foot and mouth outbreak was declared over before it was. As we shall no doubt hear later in the debate, there were plenty of individual occasions when the Government's response to animal diseases this year was neither swift nor effective.

Mr. Eric Martlew (Carlisle) (Lab): Will the hon. Gentleman give way?

Mr. Ainsworth: I will, but not very often, as time is short.

Mr. Martlew: I am grateful. The hon. Gentleman refers to animal diseases, so may I take him back to mad cow disease and BSE and ask him how many humans died because of the incompetence of the Conservative Government?

Mr. Ainsworth: You may well decide, Mr. Deputy Speaker, that that has very little to do with DEFRA—*[Interruption.]*

The Government's amendment even "congratulates the Government" on setting up the Department in the first place. I rather doubt that many who have had to contend with DEFRA over the years will share in the general air of back-slapping—certainly not the one third of farmers who live in poverty; certainly not those affected by movement restrictions and export bans during the recent foot and mouth outbreak; certainly not those who were driven to the brink of financial ruin as a result of DEFRA's bungled implementation of the single farm payment; and certainly not the insurance industry, which this week called for "improved national leadership" on flood defences.

It would be good to be able to say that the hardship caused by the incompetent handling of farm payments was now behind us, but it is not. Apart from the fact that the whole fiasco could end up with the taxpayer having to foot a bill for hundreds of millions of pounds in European Union fines, nearly £75,000 is still owed to farmers from 2005, and £1.7 million remains outstanding from last year.

It was the mess at the Rural Payments Agency that substantially kick-started the financial problems that have dogged the Department ever since. Last year DEFRA Ministers were forced to cut budgets by over £200 million, and this year we learn that further cuts of around £270 million are needed to balance the books. Of course Conservative Members are always keen to find sustainable ways of reducing unnecessary expenditure, but forced cuts brought about by financial mismanagement are a different matter altogether.

Let us take the impact on Natural England, which is being asked to cut its budget for next year by £12.5 million. Today it published a board paper that sets out the likely consequences and presents options that will impinge on measures to promote biodiversity, wildlife enhancement and nature reserves. The paper states:

[Mr. Peter Ainsworth]

"We are therefore once again"—

that "once again" is quite telling, for this is not an isolated instance—

"fire fighting to secure a budget in the short term that allows Natural England to operate."

An organisation that is, I believe, less than two years old is already fighting a battle for its survival, and not for the first time.

Then there is the issue of bovine tuberculosis. We are still without an adequate policy to tackle bovine TB, which has so far cost the taxpayer more than £500 million. There is also the seemingly relentless rise in regulation. There is much talk of light-touch regulation, but the cost to business of DEFRA regulations is now put at about £530 million a year.

Mr. Martlew: It is interesting that the hon. Gentleman should raise that point. A significant number of regulatory reform orders with which my Select Committee has dealt in recent years have come from DEFRA. Can the hon. Gentleman explain why the Conservative party does not turn up at the Select Committee's meetings?

Mr. Ainsworth: I think that that is a rather pathetic question. The hon. Gentleman might like to tell us whether DEFRA is on target to fulfil its promise, set out in "Maximising outcomes, minimising burdens", which commits it to delivering a £158.8 million annual reduction in administrative burdens by 2010. Are the Government on target for that? I wonder. I think not.

This is not how it should be. Farmers should feel that the Government are there to serve them, not the other way round. Basic competence on the part of Government is an essential prerequisite for the important task of rebuilding trust. There should be a positive relationship between the farming industry and DEFRA's policy process.

More broadly, the rural community as a whole has been neglected. Those living in rural areas know only too well the problems that they face with declining services, problems over accommodation and a huge programme of post office closures. Without its own house being in order, it is small wonder that people have lost faith in DEFRA's ability to handle the big issues. It seems caught in a downward spiral, with high staff turnover, hundreds seeking early retirement, and rock-bottom morale. The fact that the Department has a part-time permanent secretary may or may not impinge on its performance; all I can say is that if I were the permanent secretary at DEFRA, I would probably want to be part-time as well.

To add insult to injury, we discovered recently that over the last five years DEFRA had spent more than £1 billion on consultancy fees. That is a staggering sum, and what is there to show for it? Does dependence on outside consultants reflect, in some way, a sense of insecurity within the Department itself?

It is not just rural areas that have been let down. This is the Department charged with leading the way on efforts to combat climate change. Tellingly, last year it quietly dropped its long-standing manifesto commitment to cut carbon emissions by 20 per cent. by 2010. In fact carbon emissions have risen since 1997, and fell last year by only 0.1 per cent. Plans to encourage microgeneration in homes and offices have been half-hearted, with reduced grants—*[Interruption.]* Is the hon. Member for Carlisle (Mr. Martlew) blaming another Department?

Mr. Martlew: The hon. Gentleman should ask the leader of his party about the generation of wind.

Mr. Deputy Speaker: Order. We must hear the correct parliamentary language in interventions.

Mr. Ainsworth: I take the hon. Gentleman's intervention at face value, and assure him that the Leader of the Opposition will have a great deal to say on that very subject in a few days' time.

Since DEFRA came into being with a remit to reduce household waste, the amount of household waste has risen by 9 per cent., and the commitment to require 2.5 per cent. of United Kingdom transport fuels to come from biofuels by 2008 has been made without the ensuring of safeguards for sustainable sourcing of fuel crops. In the aftermath of the summer floods, serious questions remain. The Government have pressed ahead with building on flood plains contrary to the advice of the Environment Agency, and among a variety—a plethora—of different agencies there are no clear lines of responsibility for surface water flooding.

On the question of climate change, it is vital that DEFRA is respected across Whitehall; but if it cannot manage its own affairs, why should anyone take it seriously? Only the other day we learned that the Secretary of State for Business, Enterprise and Regulatory Reform was seeking to water down the United Kingdom's commitment to increasing the amount of our energy coming from renewable sources. Two weeks ago, the Prime Minister himself delivered what was billed as a major speech on climate change; three days later the Department for Transport announced a third runway at Heathrow. There is no joined-up thinking at all.

Given the scale, complexity and urgency of the challenges being faced across rural communities and in the wider environment, now more than ever DEFRA needs to be up to the job. Instead, we have a Department that has presided over rising carbon dioxide emissions, increasing levels of household waste and plummeting farm incomes; a Department committed to raising green taxation as a percentage of total taxation, which has seen green taxes fall as a percentage of total taxation to the lowest level for 13 years; a Department which cuts the budgets of local animal health teams when they have rarely been in such demand, because it has lost track of how much money it originally allocated; a Department that runs up a projected overspend on administration of £50 million in only six months; a Department whose disastrous handling of farm payments could land the taxpayer with an EU fine of £400 million; and a Department whose negligent approach to biosecurity was responsible for an outbreak of foot and mouth disease that cost the farming industry and taxpayers further millions.

Ensuring the future of British farming, supporting the stewardship of our beautiful landscapes and providing a sustainable future for our children are vital tasks. We are in danger of paying a very heavy price for entrusting them to a Department that has become a byword for incompetence.

7.38 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"commends the Government on its swift and effective action to deal with four different disease outbreaks in England in 2007; welcomes the announcement on 8th October 2007 of an aid package to farmers worth £12.5 million through extra support to hill farmers, fallen stock collection, meat promotion and help for farming support charities; congratulates the Department for Environment, Food and Rural Affairs (Defra) on its effective emergency planning arrangements in conjunction with the emergency services and local authorities to warn those at risk from the recent tidal surge and initiate precautionary evacuation; applauds the increase in spending on flood defences since 1997, a 30 per cent. increase in real terms to around £600 million, and the announcement that spending will rise to a maximum of £800 million by 2010-11; and further congratulates the Government for bringing together environment, rural affairs and food and farming under Defra to create a unified structure essential for the effective delivery of integrated Government policies across these issues.".

Let me tell the hon. Member for East Surrey (Mr. Ainsworth) and his hon. Friends that I genuinely welcome the opportunity he has given the Government to tell the House about DEFRA's work, although it is pretty obvious to me from the speech we just heard that he is unaware of much of what DEFRA is doing. I can tell him, for instance, that the permanent secretary is not part-time—but first I invite the House to join me in congratulating DEFRA's chief scientist Bob Watson and the other scientists at DEFRA on the contribution that they made to the work of the Intergovernmental Panel on Climate Change, which has been recognised in the award of this year's Nobel peace prize. It is not often that a Secretary of State is able to stand at the Dispatch Box and congratulate civil servants with whom he has the privilege of working on such recognition for, as the Norwegian Nobel committee stated,

"their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change."

If we are going to talk about the Department and its staff—and I shall have more to say on this subject—we should recognise achievements, and that is quite an achievement.

I want to begin on a matter on which I can agree with the hon. Gentleman: when things go wrong we must be honest about that and put them right. I fully accept that in 2006 there were severe problems with single farm payments to farmers. That caused deep and genuine hardship across the country and I am very sorry for what happened. However, Departments should also be judged on what they do to try to deal with problems and, as the House knows, this year the Rural Payments Agency has managed to pay 98 per cent. of payments for the second scheme year before the end of the payment window of 30 June, exceeding the target we set as part of the recovery programme, and I expect performance to continue to improve—indeed, I am determined that it will do so.

Mr. James Paice (South-East Cambridgeshire) (Con): Can the Secretary of State confirm that Scotland and Wales have already started making payments for this year, and that there will not be any payments to English farmers until at least the spring?

Hilary Benn: I can indeed confirm that that is my understanding of what Scotland and Wales are doing, but I would just ask the hon. Gentleman to reflect on what I said: I am determined that there should be continued improvements, and I intend to report to the House as and when those improvements are made. Before the hon. Gentleman waxes too lyrical, I would just like to point out that the Conservatives in their James review of 2004 proposed cutting £210 million from the RPA operating budget, and introducing a levy on subsidies paid—I am not entirely sure whether that would have been allowed. Heaven forbid that the Government might have accepted the advice at the time. For some reason, that was not mentioned in the opening speech from the Opposition.

I also agree that this summer has been one of real and severe hardship for the livestock industry, and the House has rightly debated foot and mouth and bluetongue, and there has also been the recent avian flu problem. On foot and mouth, there were problems with the Pirbright system and we have put them right: in the recent Merial incident, the system contained the failure. We will now see what further action is needed in the light of what happened, including more specific licence conditions.

Mr. Tobias Ellwood (Bournemouth, East) (Con): What discussions has the Secretary of State had with his counterpart in the Department for Culture, Media and Sport? I met the Tourism Alliance this morning, and it said that DEFRA is not doing enough to support tourism, particularly in rural areas. It needs more financial support following incidents such as foot and mouth and the flooding. I would be very interested to know what the Government are doing and what discussions the Secretary of State has had with the Secretary of State for Culture, Media and Sport.

Hilary Benn: I have talked to my right hon. Friend the Secretary of State for Culture, Media and Sport, and he and other Ministers have been supporting the tourism industry during the outbreak. One of the most important messages that we were able to send out—as a House, indeed—during the outbreak was that the countryside was open for business, unlike what had happened previously.

Handling a disease outbreak is not easy, but the approach we have taken—which has been based on acting on a detailed contingency plan, using the best scientific advice and drawing upon the professionalism of the Animal Health agency—has been recognised to work. That is why *The Guardian* was able to say in a leader:

"Not only did DEFRA this year—in startling contrast to 2001—show signs of having a plan at the ready for dealing with foot and mouth; more importantly, it also showed that it understood how to implement it".

[Hilary Benn]

Peter Kendall, president of the National Farmers Union, with whom we have worked so closely along with others in the industry to deal with the outbreak, said that

"the industry has cause to be grateful to DEFRA's animal health officials who have striven to carry out the contingency plan operations to bring the recent outbreaks of FMD, then bluetongue disease and now Avian influenza under control."

Let us contrast that with what the Opposition spokesman, the hon. Member for East Surrey, wrote in *The Daily Telegraph* in September about DEFRA and Animal Health staff. He is a decent man, but he accused them of the

"ignorance of petty clipboard people, and of a disregard for the welfare of animals arising from either callousness or stupidity."

I have met many of those people, and I think we should acknowledge that it was their skill, their professionalism, their care and their commitment that was responsible for the praise they have received and I hope the hon. Gentleman is now embarrassed by what he wrote.

Mr. Peter Ainsworth: I am not remotely embarrassed, because although I did not attribute those remarks in that article, they were a direct quote from a farmer I met in the affected area in Surrey.

Hilary Benn: Well, it is a bit late in the day for the hon. Gentleman now to say he was quoting somebody else, but he did not attribute it to somebody else and he must stand by those words. I genuinely regret that he passed on—if this is what he is now saying he did—a quote from a third party about staff. I have nothing but admiration for the colleagues—I call them colleagues—with whom I worked, along with my fellow Ministers, in dealing with this outbreak. Even though the hon. Gentleman has his views about how the outbreak occurred, which we have debated at length, I do not think it is acceptable to attack the reputation of hard-working professional civil servants for the job that they have done.

Mr. Desmond Swayne (New Forest, West) (Con): On bluetongue, has the Secretary of State given consideration to the French method of using pre-movement testing as a means of controlling the disease, because drawing a line on the map has an unfair—a differential—effect on those inside the zone, and midges will not take a great deal of cognisance of a line on the map?

Hilary Benn: I am well aware of that point, and let me explain what I have said to the industry. I think the whole House will recognise that we have worked closely with representatives of the industry in dealing with all three of the outbreaks, and at present there is a view in the group we have been talking to that we should keep the lines where they are. The winter is now almost upon us, and that will reduce the midge activity. We are all waiting for the vaccine to arrive, and if there comes a point in the new year where the balance of advantage might tip the other way, I will listen very carefully to the arguments put, because I accept the point the hon. Gentleman makes: it is a balance of argument. I must also say that my experience of dealing with these disease outbreaks reinforces in me the view that we should in future share the responsibility for taking those decisions much more closely with the farming community, and that includes sharing the costs—which Iain Anderson recommended after the 2001 outbreak.

Tom Levitt (High Peak) (Lab): My right hon. Friend will have been as surprised as I was at the brevity of the Opposition opening speech, which contained no policy whatever—and, as we are now hearing, it contained very little in the way of fact, even. At the last general election, the Opposition stood on a policy of cuts in public spending of between £20 billion and £30 billion. He has mentioned the RPA, but what effect would that policy have had on environmental spending?

Hilary Benn: It would have had a very detrimental effect. I share my hon. Friend's puzzlement at the brevity of the Opposition opening speech, and I apologise in advance to the House if I detain Members for a little longer than that as I have quite a bit to say about what DEFRA has done and achieved.

Mr. Peter Atkinson (Hexham) (Con): Does the Secretary of State think it was a good idea to announce, as he did a couple of weeks ago, that the farming industry—the livestock sector—which is reeling under the costs of these various epidemics, should start to pay a levy towards animal health? I can tell him that that went down like a lead balloon in my constituency.

Hilary Benn: I recognise that point, and I thought long and hard about this issue. There is always an argument for why we should not pick up a conversation about how the system needs to change. We could take the view, "Well, let's put it off until later." Iain Anderson recommended in 2001 that we should go down this road, and it is my experience based on having dealt with these outbreaks that has turned cost and responsibility from a policy issue that was on a long list of things that I had to deal with when I arrived in this job in June to something I can now see needs to change. I think the farming industry ought to play a much bigger role in deciding what controls are put in place and how they are dealt with, as ultimately it is the farming industry that has the greatest incentive to get those decisions right. Governments of whatever party do not always know what is best, and I want to restart the conversations we have already been having about how we can design a better system for the future in which responsibility for decision making is shared, which is what the farming community wants. In the process, discussion must also take place about how the cost will be shared.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Does the Secretary of State regard that principle as also applying to bovine TB? Will he undertake to give the farming community a real say on the decision about whether the culling of badgers should be a policy instrument?

Hilary Benn: As the hon. and learned Gentleman knows, this is an extremely difficult and complex issue, where there is no easy solution. If there were one, we would not be 10 years on from the establishment of the

scientific study. A number of considerations must be taken into account, such as the effectiveness of culling as an approach. There are wider policy implications to the culling of badgers. *[Interruption.]* I hope that the hon. Member for Vale of York (Miss McIntosh) will let me answer the question. Society must weigh up the balance between the farming community's interest in protecting animals from bovine TB and the welfare of the badger populations—the badger is, of course, a protected species. I shall shortly start a series of meetings to discuss with all involved how we can find a way forward.

Mr. Mark Todd (South Derbyshire) (Lab): My right hon. Friend has drawn attention to the partnership models between farmers and his Department. May I point to the example of the National Fallen Stock Company, which is led by my constituent, Michael Seals, as a model for how working together with farmers, establishing practices and buying services efficiently could be used more effectively by his Department? That model could also be applied in other ways to save some of his resources.

Hilary Benn: I readily acknowledge what my hon. Friend has to say about the operation of the National Fallen Stock Company. Its experience is an example that we should reflect upon as we try to take these matters forward.

The second major challenge that we have had to face this summer was the exceptional rainfall and the flooding in June and July, which the hon. Member for East Surrey mentioned. It was the wettest June on record, and I want to pay tribute to the efforts of all the people who worked so hard and with such calm purpose in dealing with the floods.

As a result of the increased expenditure on flood defence, new defences in Burton on Trent prevented about 7,300 properties from being flooded. In Malton in North Yorkshire, defences completed in 2003 prevented 300 properties from being flooded. On 9 November, we faced the biggest tidal surge to come down the east coast since the great storm of 1953, which claimed more than 300 lives in the UK and, I believe, about 2,000 lives in Holland. The flood defences, in combination with the way in which the surge and the high tides did not precisely coincide, helped to save thousands of homes, particularly in Great Yarmouth. As a result of the contingency plans that had been put in place, we ensured that people were warned in advance, that rest centres were set up and that Members of the House were kept informed. I think that the House will recognise that those who could have been affected gave genuine praise for the efficiency and effectiveness of our operation, which once again showed the benefits of the planning that we have put in place. May I also say that because of this summer's exceptional rainfall many homes did flood, and Sir Michael Pitt is looking at the lessons that we could learn?

Miss Anne McIntosh (Vale of York) (Con): The right hon. Gentleman and I represent parts of a region that has the second highest risk of flooding in the country. The Minister for the Environment answered a written question informing me that our region has had its flood defence budget cut—I am talking about the contractual outreach defences, presumably in respect of the engineering works—by a third during a four year period in which the overall funding for England in this regard has trebled. Why are we not funding the area in which the Secretary of State and I have a vested interest and which is at the second highest risk of flooding? Why have his Government cut the funding by a third?

Hilary Benn: With respect, the Government have not cut—*[Interruption.]* If the hon. Lady would let me answer the question, I would tell her that the total funding of flood defence has risen from £300 million a decade ago to £600 million—*[Interruption.]* That is the point. In any one year in any one region, big schemes will be in the process of being completed and there will large spending. Such schemes will come to an end, and there will inevitably be an ebb and flow in the expenditure pattern region by region. What really matters is whether the Environment Agency has more resources. It will receive an increase—some of it will go to local authorities—in flood defence spending from £600 million to £800 million in 2010-11, precisely because we have recognised the need for that greater investment. It will mean that the Environment Agency has more money to spend on flood defence and it is also why we have tightened the planning policy guidance and given the Environment Agency the right to be consulted about planning applications.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I represent Sedgemore and the Levels. I do not know whether the Secretary of State is aware that the flood defence schemes there are being cut to a large extent and the money is being moved north. That perturbs us. The Environment Agency has a building in Bridgwater, but will be moving to Bristol, and we find that unacceptable. Will he explain what will be put in its place?

Hilary Benn: On the first point, we have just heard two contributions that offer a different view on which way the money is going. The fact is that there needs to be a system for prioritising flood defence investment. Rightly and properly we have given that responsibility to the Environment Agency. It has a system for scoring and assessing potential schemes. The best thing that we can do to assist it in that process is to ensure that it has more money to spend on flood defence, which is exactly what we have done over the past 10 years and what we will do over the next two years. Decisions about where the Environment Agency puts its head offices are a matter for the agency itself.

Martin Salter (Reading, West) (Lab): I am sure that the Secretary of State will join me in celebrating the fact that Environment Agency funding for its fisheries work has risen from £30 million to £32 million, but of course most of that is due to the increase in rod licence sales. He will be aware that grant in aid from DEFRA has fallen from £6.3 million in 2005-06 to £5.9 million this year. Will he give Britain's 3 million anglers a guarantee that the meagre amount of grant in aid will be protected when DEFRA grapples with the real budgetary problems that it has?

Hilary Benn: It is tempting to give my hon. Friend the assurance that he seeks, but as no final decisions about the budget for the first of the comprehensive spending review years have been taken, I hope that he will forgive me for resisting the temptation that he has put my way. I know that he is a strong friend of the angling community and is recognised as such.

Mr. Todd: May I urge my right hon. Friend to use a mechanism for making the increased flood defence resources go further? Many counties, including mine, are preparing aggregates plans. Aggregates are drawn from floodplains, by and large. Could it not be made clear that aggregates businesses seeking new extraction should be compelled to contribute to flood defences in the neighbouring areas? Such an approach would be welcomed by many communities in my constituency.

Hilary Benn: I shall reflect on the point that my hon. Friend has made.

On DEFRA's budget and expenditure on what the hon. Member for East Surrey referred to as consultancy, may I, for the better information of the House, tell him a little about what the money is spent on? It is spent on buying services and employing outside experts, for example, the "Act on CO_2" campaign—the hon. Gentleman may have seen the adverts—and the development of the carbon calculator, which has been used by 600,000 people. Those things are not quite what people would expect to be described by the word "consultancy".

In this regard, I should also mention work on developing carbon markets and the EU emissions trading scheme; and research looking into the causes and consequences of climate change, including funding the world-renowned Hadley Centre—does he object to the funding of the Hadley Centre out of DEFRA's budget? The money is also spent on research into animal health, including work on bovine spongiform encephalopathy, foot and mouth, bluetongue and avian flu. Does he object to the expenditure of money on such things? The money is also spent on the running of the Department's IT system, in partnership with IBM. Those are perfectly proper and legitimate expenditures of money to ensure that DEFRA is able to do its job. As the House will be aware, DEFRA's budget will rise from £3.5 billion to just under £4 billion by the end of the spending review period, and I shall say a little about how that will be spent.

Mr. Oliver Letwin (West Dorset) (Con): Would the Secretary of State accept that there is something a little odd about spending a large additional amount on flood defences and then building many houses on floodplains, thus requiring further expenditure on flood defences?

Hilary Benn: The question is whether we have the right guidance for the planning authorities, and that is why we tightened the planning guidance and then tightened it again—the most recent form is PPS25. Secondly, we have ensured that the Environment Agency, which is the expert, has to be consulted on applications. Thirdly, Ministers have the right to call applications in. We are sitting on a floodplain as we have this debate, and 2 million homes are built on a floodplain. The question is whether appropriate steps can be taken to defend those properties. Ultimately, the answer lies with the planning authorities that choose to give or deny permission and the framework that we have put in place is clear about their responsibilities.

DEFRA does have extra resources and we are investing them in flood defences. Together with the Department for International Development, we will invest in the international environmental transformation fund, aimed at protecting the environment and the rain forest in the developing world.

The extra resources will also help to pay for the launch of the green homes service, which will help people improve the energy efficiency of their homes, and build on the 1.4 million households that have received money and other support since June 2000 to improve energy efficiency.

Mr. Peter Ainsworth: While the Secretary of State is on the subject of spending money, can he tell us how much he is spending on early retirement for DEFRA staff?

Hilary Benn: I will happily write to the hon. Gentleman with the precise figure, because I would not want to get it wrong. We have a headcount target to meet, and we are determined to do so. I am determined that the budget will be managed properly and effectively, and a package is available across the civil service to enable us to reach those targets.

Mr. Philip Dunne (Ludlow) (Con): The Secretary of State mentioned the budget for spending on animal health and, in particular, foot and mouth disease viruses. Can he assure the House that there were no instructions from DEFRA for the development of a foot and mouth vaccine for the 1967 virus prior to the outbreak of the disease in August?

Hilary Benn: I am afraid that I do not understand the question—

Mr. Dunne: Did he order a vaccine for the 1967 virus before the outbreak emerged in August?

Hilary Benn: The answer has to be no, because the 1967 virus was not present in the country. We only put contingency plans in place to vaccinate should it prove necessary once the outbreak was confirmed. In the end, we decided not to vaccinate, because the triggers that we had set in the contingency plan were not met.

The support that we give to the Carbon Trust enables it to secure £2 of private sector capital for every £1 of public investment. The hon. Member for East Surrey also did not mention our work through the energy efficiency commitment—soon to be the carbon emissions reduction target—which will mean that £800 million will have been invested in improving the energy efficiency of our existing housing stock by 2008. Our deal with retailers and energy suppliers will see Victorian-technology light bulbs gone from our shelves by 2011. We are the only country to be supporting post-combustion capture on a coal-fired power station. That is a really important pilot project, because the rate at which China is building coal-fired power stations

means that we need to demonstrate the technology and show that it can be fitted after the event. We now have cleaner rivers and beaches, purer water to drink, healthier air to breathe, and a countryside that all of us are free to enjoy—as a result of the decisions that this Government have taken.

We have established in the New Forest the first national park for nearly 50 years. There has been a 50 per cent. increase in the number of sites of special scientific interest in a favourable or recovering condition. We have passed the Animal Welfare Act 2006. We have reduced BSE incidence from 37,000 cases a year in 1992 to about 60 in 2007. We have saved 28 million tonnes of carbon through the climate change levy, which was opposed by the Conservatives. We have quadrupled household recycling and placed 4 million hectares of farmland under environmental stewardship schemes, with the support of farmers. We much appreciate the contribution that they are making.

The marine Bill will provide protection for the wonders of our seas. We will legislate so that each of us has, for the first time in our history, the right to walk around our coastline. In eight years' time, Britain will generate at least 15 per cent. of our electricity from renewables; nine years from now, every single new house built will be zero carbon; and the London array will generate enough electricity from wind power to supply one in four homes in Greater London. What is the Conservatives' position on wind farms these days? Are they in favour or against? My Department is helping to change Britain and the world for the better, with a clear sense of direction and a clear sense of purpose.

Does the hon. Member for East Surrey agree that the most important issue facing humanity today is climate change, or does he agree with one of his colleagues who says that climate change is the "great global warming swindle"? The Conservatives' confusion may explain why their manifesto at the last election had just three sentences on the subject and said nothing about a target or reducing CO_2 emissions, whereas our manifesto mentioned a cut of at least 60 per cent. The House will also have noted the speech that the Prime Minister made recently.

The Government have helped to lead the world on climate change. We have broken the link between economic growth and greenhouse gas emissions. We were the first country to try out carbon emissions trading; the first to put climate change at the heart of our G8 presidency; and the first to call a debate on climate change in the UN Security Council, because it is a security as well as an environmental problem. Now we are the first country in the world to put forward a legally binding commitment to reduce carbon emissions.

Those proposals have received support from across the spectrum. Tony Juniper of Friends of the Earth called it

"a truly groundbreaking piece of legislation".

David Nussbaum of WWF said that it could be

"a shining example for the rest of the world to follow".

The CBI called it "a big step forward".

Next week, I will be in Bali, with others, to try to get agreement to start negotiations on a new global deal on climate change. That will be European leadership, with Britain in the vanguard. DEFRA staff will work as lead negotiators for the whole of the European Union—recognised for their skill and expertise—and make their contribution.

I believe powerfully in the capacity of DEFRA and in the power of politics to make a difference to our world. I make a genuine offer to the hon. Gentleman. I would welcome an Opposition who set out ideas for how we could do things differently and better. When he has a good argument, I will listen and take it on board if it is better than mine. In the mean time, I hope that he will acknowledge on reflection that he did not paint a fair picture of DEFRA and its achievements. I commend the amendment to the House, and confirm that we intend to get on with the job in hand—preventing dangerous climate change, adapting to the change that is coming and protecting our natural environment, so that we can pass on to the next generation a better world.

8.8 pm

Martin Horwood (Cheltenham) (LD): Unlike the hon. Member for East Surrey (Mr. Ainsworth), I do not live in a world of cartoon goodies and baddies. DEFRA's performance is good in parts, but it leaves much to be desired in others. DEFRA's response to the summer floods was a case in point.

In Gloucestershire at least, emergency response systems worked well and Gold Command, under the direction of our chief constable, Tim Brain, proved an effective leadership team. I have to declare a personal interest as my wife, Dr. Shona Arora, was also a member of Gold Command. That meant that my contribution that week was often babysitting, and she felt that that accurately reflected the relative usefulness of doctors and politicians in a crisis.

As many hon. Members have said many times, emergency services, local authorities, the NHS, charities, volunteers, local communities and friends and neighbours all responded brilliantly. Liaison with Ministers seemed to be good, and I appreciated the personal interest in my constituency taken by the Secretary of State. Significant extra funds were made available quickly through the flood recovery grant, although that highlighted the weakness of the existing Bellwin scheme, which clearly was not up to the job. It is to the credit of Ministers that they realised that quickly. I also note that support may be forthcoming from the much-maligned European Union. If moneys are made available from the European solidarity fund, I hope that all hon. Members will join me in welcoming that. Perhaps Ministers will update the House on the progress of that application.

However, the bigger picture on flood defence still poses some very difficult questions. Many of my constituents, and many businesses in my constituency, are still counting the cost of the floods. I am worried that emergency response might be much more difficult, and people's tolerance much lower, if flooding hits again on cold, dark winter nights. Climate change makes that much more likely, and planning permissions

[Martin Horwood]

are still outstanding for areas such as the open land at Leckhampton in my constituency, which flooded in July.

The overall budget for flood defence is therefore critical, as it is what will prevent insurance premiums from spiralling and house prices from dropping. Indeed, it will prevent some new homes from being potentially uninsurable or even unsaleable. In Cheltenham, we already have a brand new flood defence scheme worth £23 million. June and July might have been much worse without it, but the Environment Agency staff who visited several sites in Cheltenham with me freely admit that more work needs to be done. What of the existing backlog of flood defence schemes? Will the Minister say how long it will take the Environment Agency to clear it, at the current rate of progress? The rumour is that it will take 10 years, which is a very worrying prospect. How many schemes have been put back by the Government's decision last year to cut flood defence spending by £14 million?

Mr. Martlew: The hon. Gentleman has pointed out that a lot of work remains to be done. Does he believe that all the money for flood defences must come from taxation, or should we find another source?

Martin Horwood: I believe that it would add insult to injury if all the money came from water bills, and I should be very concerned about that. I hope that the funds will come from the reprioritisation of broader Government spending. Perhaps we could save money in other sectors of government if we invaded fewer countries.

The Association of British Insurers has been pretty clear about what needs to be done. As well as backing the Liberal Democrat policy that we should clear up the tangle of responsibilities surrounding flood prevention, it has backed our call to increase spending faster. In October, it said:

"Government spending for the next three years is less than we were asking for even before the floods. It does not begin to address the major issues, including drainage, which were highlighted this summer. The Government will have to increase spending substantially, as needs are identified by the Pitt review team...the Government has completely failed to grasp the importance of improving Britain's flood defences in the wake of the devastating floods across the UK."

Yet the Government are not really being so generous, even with their existing spending on floods. The overspend on flooding this year, along with unexpected spending on foot and mouth disease, bluetongue and avian flu, is going to mean budget cuts elsewhere in DEFRA. The Brown doctrine on departmental funds appears to be that a Department that gets hit by an unexpected overspend cannot expect money to be transferred from elsewhere in government.

That is a more important point than one put forward by the hon. Member for East Surrey (Mr. Ainsworth), who characterised the approach as one of pure financial mismanagement. The Prime Minister's callous approach brought the NHS into crisis last year, and now it seems to be DEFRA's turn. Estimates of the amount likely to be cut from other programmes range up to £300 million, as we have already heard. Will the Minister share with us where those cuts are likely to be made? Where is the support going to be cut for action on climate change, the protection of our natural environment, or support for our hard pressed farmers? Will Natural England's vital conservation work be reduced? It is already being asked by the Government to repay the £16 million spent on setting up the new agency structure, which was decided by the Government. Will the Minister at least confirm that the Environment Agency's £51 million budget for new conservation work will be protected, or will the axe fall on recycling and action against waste?

I want to seize this opportunity to praise the Government's initiative on the business resource efficiency and waste—BREW—programme, and applaud the real practical action against climate change being taken by Envirowise, the waste resources action programme, the Carbon Trust and the lesser known but equally impressive national industrial symbiosis programme. That alone has eliminated 300,000 tonnes of hazardous waste, prevented the use of 5 million tonnes of virgin material and saved 2.5 million tonnes of CO_2 emissions. Perhaps the Minister will make it clear that their budgets are all safe.

Is it even clear that the promised increases in flood defence spending will be protected? Or perhaps, and most astonishingly of all, is it animal disease control that will suffer? I find it quite breathtaking that DEFRA has requested local authorities to return funds for animal disease control—even in Surrey, where councils have been hit by both avian flu and bluetongue. I was surprised that the hon. Member for East Surrey did not find time to mention that. Devon county council has said that the cuts mean five of its eight posts may have to go as a result, and that

"it will be catastrophic if an outbreak of disease happens."

At a time when climate change is opening the door to new diseases such as bluetongue, surely that is the last thing that we should be doing.

The Secretary of State made the intriguing announcement on 19 November that he believes current arrangements to be unsustainable. Was that driven by strategic thinking, or by the short-term financial crisis in which DEFRA seems to have found itself? Surely our farming industry has suffered enough, not just from the disease outbreaks themselves but from DEFRA's performance in the regulation and monitoring of the Pirbright laboratory and, most of all, the fiasco of single farm payments. I understand from my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) that 25 per cent. of Welsh farmers still have not received their payments. I hope that the Minister will tell us the equivalent figure for England—although I fear that the figure will be much higher.

I turn now to DEFRA's role as climate change champion for the whole Government. Again, some praise is due, and I am happy to associate myself with the Secretary of State's congratulation of the chief scientist on his participation in the intergovernmental panel on climate change and its receipt of the Nobel prize. After all, DEFRA is bringing forward the Climate Change Bill, which will put carbon emission reductions on the statute book, following the Stern report and Friends of the Earth's very effective "Big Ask" campaign. That is an important achievement, although Ministers know that we on the Liberal

Democrat Benches think that the targets contained in the Bill are inadequate, and I have teased them about the amount of time that it has taken us to get to this point.

The latest voices to be added to those calling for higher targets include last week's UN human development report, which called for cuts of at least 80 per cent. from the richer countries, and that of Sir Nicholas Stern himself. Speaking to the Royal Economic Society last Friday, Sir Nicholas said:

"For a 50 per cent. reduction in global emissions by 2050, the world average per capita must drop from 7 tonnes to 2-3 tonnes. An 80 per cent. target for rich countries would bring equality of only the flow of emissions around the 2-3 tonnes per capita level. In fact, they will have consumed the big majority of the 'available space in the atmosphere'."

In other words, if we are to achieve an equitable world agreement on carbon reductions, we have to commit to cuts of 80 per cent. or more, and that should be on the face of the Bill.

Mr. David Chaytor (Bury, North) (Lab): If the hon. Gentleman wants his call for higher emission reductions to have credibility, why are Liberal Democrat councillors around the country campaigning against the very policies that would secure those reductions? Specifically, why are they in the forefront of campaigns against congestion charging in Greater Manchester, and why are they campaigning against wind farms on the edge of my constituency?

Martin Horwood: I do not accept the hon. Gentleman's characterisation. All over the country Liberal Democrat councils have pioneered work on climate change. In Liberal Democrat constituencies I have stood under wind turbines that were fully supported by the local council and the local Liberal Democrat MP. My party is in favour of wind farms, but we would never concede that every application for every wind farm is always right.

Mr. Chaytor *rose—*

Martin Horwood: I am sorry, I shall not give way again. I do not know the circumstances in the hon. Gentleman's constituency, but I am confident that Liberal Democrat campaigners in the area are doing the right thing.

There is more evidence that the Government are parting company with even the contents of the Stern report. In the Environmental Audit Committee this morning, we heard from Friends of the Earth and WWF that the economic cost of carbon emissions—the future cost of climate change—being used by the Government is dramatically lower than Sir Nicholas Stern recommended. He cites a figure for the social cost of carbon in 2000 of $85 per tonne of CO_2 equivalent. Using DEFRA's exchange rate, Friends of the Earth calculated that that equates to £53 per tonne of CO_2 equivalent, but DEFRA has introduced a new concept—the shadow cost of carbon—and puts the 2000 value of that at only £19, which is nearly three times lower.

What is the importance of that apparently technical detail? It affects all our lives—some more than others. It gives us a social cost of carbon emissions in the Heathrow consultation of just £4.8 billion. If DEFRA and the Department for Transport had stuck to Sir Nicholas Stern's figure, they would have put the cost at more than £13 billion. That would have stopped in its tracks the proposal for a third runway at Heathrow, but by miscalculating the future economic cost of climate change DEFRA has changed the outcome of the Heathrow runway consultation. Although carbon emissions are rising year on year—and have risen since the Government came to power—the Government have given the green light to one of the very projects that will stop them meeting their own targets. The cost to the environment and, as Sir Nicholas Stern pointed out, to the economy will be truly dreadful.

There is more. DEFRA's influence on other parts of Government is clearly weak. Why else would the Chancellor, too, take a significant step away from Stern? Again I give due credit to Friends of the Earth's brilliant economist Simon Bullock for spotting that. The Chancellor's October document, entitled—without a hint of irony—"Implementing Stern" says that the basis of the carbon price is

"to reflect the damage caused by emissions and to require Governments, businesses and individuals to meet the costs they impose on the environment".

The Stern report actually argues rather differently—that it is not the price of carbon that determines the cap, but exactly the opposite: the cap should determine the price. Stern says:

"A long-term stabilisation target should be used to establish a quantity ceiling to limit the total stock of carbon over time. Short-term policies (based on tax, trading or in some circumstances regulation) will then need to be consistent with this long-term stabilisation goal."

This time, it is the Treasury that seems to be weakening the foundations of our attack on climate change.

On 22 November, replying to me during a debate on climate change, the Minister for the Environment failed to say whether the British Government were taking active steps to persuade one of their friends not to veto a Bill that would put limits on the most significant carbon emissions of all—those of the United States of America. Will Ministers tell us whether DEFRA has asked the Foreign Office to ask George Bush not to veto the Lieberman-Warner Bill?

DEFRA's performance has been good in parts. In its emergency response, in introducing the Climate Change Bill and in its responsibility for the BREW programme, the Department deserves credit; but by failing farmers, failing to plan for future flooding and above all by failing to spread the message on climate change across the whole Government, it has delivered a very poor performance indeed. If Members do not believe me, they should believe members of Green Alliance, who are so stingy with their accolades that they gave the Liberal Democrats only three green points in their assessment of a range of all our environmental policies—"The Green Standard Report". It gave the Government just one point. The best that can be said about that is that at least the Government did better than the Conservative party, which was given no points at all.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that the 10-minute rule on Back Benchers' speeches operates from now on. It may not

[Mr. Deputy Speaker]

allow everybody who wishes to participate to do so as much as the Chair originally understood, so perhaps Members could try to keep comfortably within their 10 minutes.

8.22 pm

Mr. Elliot Morley (Scunthorpe) (Lab): I was disappointed by the speech of the hon. Member for East Surrey (Mr. Ainsworth). It seemed rather a bogus attack on DEFRA. Of course, the Rural Payments Agency situation needs to be highlighted, although there are good reasons for it. The Select Committee report made a fair assessment of the background.

I am one of the few Members to have served in both the Ministry of Agriculture Fisheries and Food and DEFRA—in fact, I may be the only one—so I can tell the hon. Gentleman that DEFRA is a huge improvement on the MAFF structure. MAFF was a 1960s Department; it suffered from low status and low morale, and made the most appalling mistakes, especially over Creutzfeldt-Jakob disease, which, as my hon. Friend the Member for Carlisle (Mr. Martlew) rightly said, had consequences for human lives, let alone the costs of the debacle. That situation arose partly because the then Conservative Government were far too dominated by producer interests rather than by the wider needs of society. They did not recognise that a balance was needed.

The hon. Member for East Surrey criticised the handling of the 2001 outbreak, but I remember the Opposition congratulating the then Minister for Agriculture on his handling of the early stages of the outbreak. At that time nobody knew the scale of the outbreak; during the days before the disease was reported, it was being spread all over the country by the illegal and legal transport of animals. No country had ever found itself in that situation. The fact that that outbreak was contained and eradicated is a tremendous achievement for all concerned. I agree with my right hon. Friend the Secretary of State that, when playing political games, the hon. Gentleman should be careful not to trash the reputation of hard-working civil servants who showed the most incredible dedication when bringing that outbreak under control.

I also echo what was said about the 2005 Conservative party manifesto. I remember debating the matter on platforms with Conservative and Liberal Democrat spokespeople. The 2005 manifesto commitments to cuts in public expenditure would have devastated the then English Nature budget.

I was surprised by the hon. Gentleman's comments on waste. He seems to have forgotten that in 1997 the recycling rate was about 6 or 7 per cent. That has now risen to about 25 per cent. The amount of waste going to landfill has dropped, which is a considerable achievement compared with where we were 10 years ago. My local authority of North Lincolnshire has a recycling rate of 40 per cent. and is confident that it can hit rates of 50 per cent. It deserves a great many congratulations on what it has done. That has been brought about only because of support and grants from DEFRA, which is dedicated to reducing waste in this country. That is important.

I want to pick up on the point made by the hon. Member for Cheltenham (Martin Horwood). I welcomed the Green Alliance report. Like most people, I think that there were one or two areas where the Green Alliance could have been a bit more generous, particularly in relation to the Government's record on biodiversity. Nevertheless, it was a fair assessment. The hon. Member for East Surrey should note that it gave the Government a great deal of praise for the international lead that they have given on climate change.

My right hon. Friend the Secretary of State spelled out the areas in which this country has pioneered climate change policies. Not only that, but the expertise of DEFRA officials and scientists has been used in developing schemes all over the world and particularly in Europe. The software for the emissions trading registration scheme was developed in DEFRA and has been applied by, I think, the majority of European countries. I think DEFRA gets some income from that software development, and it deserves credit for that.

Of course there are always areas that can be improved. However, I have experienced the limitations of MAFF, and seen how DEFRA has been given a much higher status and has attracted a wide range of new people, who have come to work there because they support the concept of DEFRA. Moving to a Department that has land use policy strategies for water, air and land was the right decision. If my memory is correct, at the time the Conservatives supported, rather than criticised, the approach of having a more powerful environment Ministry to deal with all the issues.

I want to make five quick points to my right and hon. Friends on the Front Bench, for whom I have great deal of respect and who have done extremely well, particularly in handling the recent outbreaks. DEFRA has received a great deal of praise for the way in which it handled the bird flu and bluetongue outbreaks, and the recent foot and mouth outbreaks. It is using updated modern contingency plans. It faced a situation in which foot and mouth was not spread all over the country by a rogue farmer and the kind of movements that took place previously. The hon. Member for East Surrey should recognise that the situations are different.

I said I would make five quick points. The first is EU funding. If we are to recognise that climate change is the biggest environmental threat that we face this century—perhaps the biggest threat that we have ever faced—there are important matters to consider. I know that my right hon. Friend the Secretary of State has been arguing for shifting agricultural spending towards the rural development regulation. That is the right thing to do, but we need to go further. We need to harness the EU to combat climate change. An awful lot of spending in the EU could be used much more productively. However, that is a matter for a wider debate; I just wanted to draw the point to my right hon. Friend's attention.

Secondly, the Planning Bill will shortly go through Parliament. I know that my right hon. Friend does not have lead responsibility for the Bill, but streamlining planning is important. No one wants a better way of dealing with renewable energy and waste infrastructure more than I do, but there are issues to do with protecting biodiversity. It is important that biodiversity

is not pushed to one side in the debate as a nuisance. My right hon. Friend's voice is important in that regard.

Thirdly, on bovine tuberculosis, I ask my colleagues please to follow the science. We want decisions to be science-based. The arguments are incredibly complicated, and it is wrong for anybody to think that there are simple solutions to the problem. There has been a tendency to try to rubbish the Bourne report, which was carried out with great thoroughness. It is a very respectable scientific study. I ask Ministers please to make sure that we take a science-based approach, not one based on anecdotes.

My fourth point, which has already been mentioned, concerns shared responsibility. It is hard to justify any industry that expects free insurance, paid for by the taxpayer. There has to be shared responsibility. Indeed, I would go further and say that it should be linked to biosecurity and how it is applied. For example, in the recent Bernard Matthews outbreak there were clear breaches of biosecurity. There is a strong suspicion that the outbreak was spread from operations in Hungary by movements within the factory. Hundreds of thousands of pounds of taxpayers' money was paid in compensation. There has to be a better scheme.

My last point is small but important. Through the Animal Welfare Bill, the Government made a huge contribution to improving conditions for animals. I know that my right hon. and hon. Friends on the Front Bench are looking at the welfare codes at the moment; that is a real opportunity for giving clear guidance on improving the welfare of animals in our country. There are some difficult issues, such as that of performing animals in circuses, but I ask my colleagues not to go back on the assurances that former DEFRA Ministers gave the House; that is very important. I ask my colleagues to work closely with such groups as the Royal Society for the Prevention of Cruelty to Animals, which have been strong supporters of what the Government have done, and which want to work with them to make the codes effective.

8.32 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): In his speech, the Secretary of State admitted, in his inimitable and endearing style, that when the Government have failures, they should admit to them. Frankly, there have been many failures in his Department, although I am happy to admit that many of them occurred before he began his watch. There have been so many examples of incompetence and there has been such a waste of public money, that the only honest statement to make at the Dispatch Box is the one that a colleague of his had the courage to make at the Home Office some time ago—that is, to admit that the Department is not fit for purpose.

The Department for Environment, Food and Rural Affairs works in the unpredictable spheres of plant and animal diseases, and the effects of global warming. It will always have to handle those difficult problems. We all agree that they present severe challenges, but the real issue is that too many of DEFRA's problems have arisen from the failings of the Department. My hon. Friend the Member for East Surrey (Mr. Ainsworth) gave an example at the Dispatch Box: when DEFRA chose the most complex method of common agricultural policy reform—the so-called dynamic hybrid—it set itself up for a fall. Administrative errors in handing out the single farm payments have cost the taxpayer £348 million, and many farmers in my constituency still do not have all the money to which they are entitled.

Perhaps more shocking than the destabilisation of the farming industry through the incompetent handling of the single farm payments was the revelation that DEFRA had rocked the industry further with the return of foot and mouth. The source of the outbreak was identified as the site of a Government-sponsored animal disease laboratory at Pirbright. Those errors on the part of DEFRA have swallowed its budget, cost the taxpayer enormous amounts of money, and caused undue and unnecessary harm to farmers and people living in rural communities. Additional Treasury pressures to cut expenditure will simply exacerbate DEFRA's inability to deliver its remit.

The primary reason for the creation of DEFRA, we were told, was to bring interrelated areas of farming, food, environment and flood protection closer together under the one umbrella—in other words, to facilitate joined-up government. Unfortunately, that is far from the reality. So dislocated appear to be the internal parts of DEFRA that disjointed and incompetent management and administration are the norm.

Let me give the House three examples from my constituency that have happened in the past few weeks. The first case is that of Mr. Frank Harris, a beef farmer from Leverington common. On 30 October, Mr. Harris rang my office to say that he had 21 suckler cows in calf on the Whittlesey washes on the Nene river. We had telephone contact the same day from other farmers who confirmed that there were a further 200 suckler cows on the same washlands. The Whittlesey washes, like the Ouse washes further south, are a vital reservoir for excess water in the wetter winter months and, as such, play an integral and crucial part in the fens flood protection apparatus.

The washes were then placed in a bluetongue control area, with every likelihood that they would soon be flooded. Knowing that the land would be flooded, Mr. Harris asked whether we could intervene on his behalf and asked for his cattle to be blood tested so that they could be moved into a protection zone on his farm about 3 miles away, but outside the zone.

The same day we wrote on Mr. Harris's behalf to Lord Rooker's office asking for an exception or relaxation to be made on the grounds of animal welfare. We left messages at Lord Rooker's office again on 6 November. A week later on 12 November, we spoke to an official who said that he would chase the matter up, but we have never, to this day, received a response or even an acknowledgement from DEFRA.

Mr. Harris has repeatedly tried to obtain permission from the State Veterinary Service in Bury St. Edmunds to move his cattle, but to no avail. Since our inquiries, the land has flooded and some of the cattle, we are informed, have given birth. As far as DEFRA is concerned, there are 21 drowning cattle and their newborn calves.

My second example is Mr. Wiggington, who runs S&T Poultry near Wisbech. He breeds chicks for stock improvement for poultry farmers. He was trying to

[Mr. Malcolm Moss]

export more than 600 chicks to Jersey, which was happy to accept imports as long as the chicks had been reared outside avian flu designated areas. Mr. Wiggington applied for his licence at the Bury St. Edmunds DEFRA office. However, it took seven days for the information from the Jersey authorities to go from the DEFRA office in Page street to the Bury St. Edmunds office via, it seems, the Lincoln office. Despite repeated calls from both Mr. Wiggington and his potential customers, nothing seemed to be moving.

My office phoned and e-mailed DEFRA in Lincoln and within an hour that office had instructed the Bury St. Edmunds office that the licence would be signed. By this time, it was only a day before the chicks were scheduled to be shipped, so Mr. Wiggington had to take the morning off to drive to Bury St. Edmunds to collect the original licence in person, because DEFRA said that a photo or faxed copy was not acceptable for an export licence.

Had the paperwork not been cleared at the last minute, despite it being in the system for a week, Mr. Wiggington would have had to destroy a second batch of chicks in a month. He has also reported to me losses of more than £1,000 in value as a result of DEFRA mismanagement and poor administration in the past year. This includes an incident where DEFRA put a stamp on a letter that enclosed licences, instead of franking it. That meant that the letter did not arrive, and as the birds could not be shipped, they had to be destroyed. The next week Mr. Wiggington had to go and collect the documents himself from the post office and pay for the postage.

Because of poor instructions from DEFRA, Mr. Wiggington is still waiting for £2,500 worth of grant aid for going organic. He followed the instructions to the letter, only to be told subsequently that his application was unacceptable. Now he has been told that he will have to wait a minimum of six months for the payment as a result of an error that originated with DEFRA.

My final example involves Mr. Charles Horrell who farms at Pode Hole farm at Thorney near Peterborough. He runs a pedigree cattle and sheep farm. When he was placed in the bluetongue control zone around Peterborough, those pedigree cattle and sheep, which he would normally have sold for breeding for £50,000 in total, would have had to go to slaughter in a poor market situation and would have been worth only about £10,000. We phoned DEFRA on his behalf and asked what Mr. Horrell's options were, now that he was in the control zone. However, nobody at the DEFRA office knew, so we wrote to Lord Rooker. Finally, we got a response from him simply saying:

"DEFRA are encouraging farming businesses to review their contingency plans through farming organisations."

So we followed that up and phoned farming organisations, including the National Farmers Union, the Farming and Wildlife Advisory Group and the Meat and Livestock Commission. Not one had any advice for farmers on creating contingency plans or new business strategies to counter the onset of disease. It appears that not only has DEFRA offloaded on to unions, charities and advisory groups the problems of responding at farm business level to bluetongue and foot and mouth, but it has not had the decency to tell them that it has done so.

Another natural hazard that has tested DEFRA in the past year is flooding. As the effects of global warming take hold on the environment and flood risk from tidal surges, higher sea levels and greater storms grows, DEFRA has abrogated its responsibility for flood protection by offloading those problems on to the Environment Agency. The increase in the money going towards flood protection seems to be a positive step, but it coincides with the addition of the expensive burden of coastal flooding to the Environment Agency's responsibilities. Those involved in flood protection in the fens have told me that they are concerned that the agency will be tempted to divert some of the extra funds to its own priorities—which, of course, include coastal flood prevention. If that is the case, the increase will not translate into extra security for people in Sheffield, Gloucester or Tewkesbury.

The culture of DEFRA has changed since the old MAFF days—certainly as far as agriculture is concerned. The Department's job was to support the farming industry and the rural community, but it has become one that seems to care little about rural issues and the rural economy and just wants to control and regulate that economy out of existence. Food prices are already increasing at a frightening rate. Do not look to the supermarkets to come to our aid; they are already paring farm-gate prices to the bone. It is time that the Government returned to their age-old primary responsibility of ensuring the security of our food supplies.

8.41 pm

Mrs. Madeleine Moon (Bridgend) (Lab): The hon. Member for North-East Cambridgeshire (Mr. Moss) defined DEFRA as a Department dealing with plant and animal diseases and climate change; I like to think that it is called the Department for Environment, Food and Rural Affairs because deep within it is the recognition, to which my right hon. Friend the Member for Scunthorpe (Mr. Morley) referred, that without the balance of biodiversity within the natural environment there is no food for the world to eat, and there will be devastation for rural communities.

I believe in the TANSTAAFL principle, which stands for, "There ain't no such thing as a free lunch." It was created in the 1970s to recognise the impact of failing to protect and value our natural habitats and their biodiversity, and to place them in the only framework that we seem to understand—that of money.

The world is losing biodiversity at an increasing rate as a result of human activity. In the United Kingdom, 44 per cent. of moths and 71 per cent. of butterflies are declining, mirroring parallel declines in common bird species such as the ptarmigan, the skylark, the grey partridge and, in some areas, the common sparrow.

Across the world, changes in biodiversity due to human activity have happened more rapidly in the past 50 years than at any other time in human history. The many species of plants, insects and animals that live in a diverse range of habitats give us the sense of the place where we live, and act as an incentive to visit other

areas, communities and habitats. Environmental tourism is the fastest-growing sector of tourism. Environmental protection bodies form a rapidly growing sector to which people are giving their time, energy and commitment. There is a recognition that biodiversity brings benefits to local communities; it benefits health, improves local economies, maintains environmental quality and ecosystem services and provides recreation and education resources for people of all ages.

Securing a healthy, resilient, productive and natural environment is a key DEFRA priority. It is enshrined in the Government's natural environment public service agreement to secure a healthy natural environment for today and the future. Biodiversity is an essential component of that.

There is a recognition among biodiversity and wildlife groups of the Labour Government's commitment to biodiversity, through the Countryside and Rights of Way Act 2000, the Natural Environment and Rural Communities Act 2006, the Commons Act 2006, the Animal Welfare Act 2006 and the Clean Neighbourhoods and Environment Act 2005—matters that the parties opposite neglected. Those measures demonstrate the Government's commitment to the natural environment.

There is concern that, in the bright heat of climate change recognition, the need to track and protect biodiversity is perhaps being put on the back burner and facing policy neglect and financial cuts, as the focus moves to energy conservation and generation rather than to monitoring adaptation and habitat loss. I urge DEFRA to give the latter greater protection and priority.

United Kingdom biodiversity action planning helps to co-ordinate work nationally and locally by identifying priorities for action and setting targets for the recovery of habitats and species. That critical planning measure is vital to ensure that species and habitat information is collected and collated. The Natural Environment and Rural Communities Act 2006 was introduced to protect, conserve and enhance the country's landscapes and support rural communities. The Act established Natural England, which is responsible for championing and integrating management of the environment, nature conservation, biodiversity, landscape, access and recreation.

There are concerns that funding cuts to Natural England will affect many big and small non-governmental organisations, from the Royal Society for the Protection of Birds to wildlife trusts and bat, badger, moth and butterfly conservation bodies, which rely on seedcorn funding for their survival. Those organisations feed in the raw data from their army of volunteers throughout the UK, who track habitat and biodiversity loss. Without that information, the UK biodiversity action plan—BAP, which targets the recovery of some of our most threatened species and habitats in the terrestrial, freshwater and marine environments, with 10 to 15 year goals—will fail. I would welcome a commitment to ensuring that those organisations are supported and to recognising their importance.

Each of the four countries of the UK has produced country strategies for biodiversity. The 24 biodiversity partnerships in Wales have done an enormous amount of work to prepare and implement local plans that support the UK BAP. Local biodiversity action plans in Wales comprise a range of successful projects that inspire new partners to enter that vital aspect of planning. Partners include the tourism and business sectors. The projects contribute to progress and acknowledge everyone's responsibility for biodiversity and habitat protection, so that it is not perceived as a matter for only the farming community.

More than 72 per cent. of our sites of special scientific interest are now in a favourable condition, which represents a tremendous improvement in the past few years. That improvement was targeted and brought about by the Labour Government. The Government are on track to meet the 95 per cent. target by 2010.

I have arranged a moth recording night in the Palace in each of the past two years—this year, it is supported by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock)—to show that there is wildlife even in this most sterile of places. Butterflies are recognised as indicators of a healthy environment and should be recognised as indicators of the effectiveness of the Government's land-use policy. In October, DEFRA launched a new framework called "Conserving Biodiversity—The UK Approach", which provides a more holistic approach recognising the interconnectedness between living things, their environment and the services they provide.

It is easy to think that biodiversity is unimportant—that it has a low level of responsibility in improving the quality of life in this country—yet insect pollination of crops alone brings £172 million a year into this country. We neglect biodiversity and our habitat at our peril. If we want to eat and if we want to protect our rural communities, we have to tackle these issues. I am proud to be part of a Labour Government who are introducing a marine Bill; I am proud of the role that DEFRA has played in the International Whaling Commission.

Martin Horwood: I think that the hon. Lady may mean the draft marine Bill, as we did not have a Bill in the Queen's Speech this year despite the fact that it has had all-party support for two years.

Mrs. Moon: I thank the hon. Gentleman. Let me just say that this Government have been committed to introducing a marine Bill, which no other Government have done, and I am particularly proud of that.

I recognise that there have been problems at DEFRA—no one would deny that. What disturbs me, however, is the total lack of recognition of how important a role it has played in protecting the natural habitats of this country and how important it has been in ensuring that the huge army of people involved in and committed to habitat and species protection receive the support that they need. Only this Labour Government have taken that on board and given their commitment to the founding of DEFRA, a Department with the word "Environment" first in its name.

8.51 pm

Mr. Peter Atkinson (Hexham) (Con): It is a pleasure to follow the hon. Member for Bridgend (Mrs. Moon). She talked about free lunches. I seem to remember that on a recent Inter-Parliamentary Union trip to Albania she and I had a lot of very long free lunches, but I am not sure as yet what the payback has been. I share her

[Mr. Peter Atkinson]

concern about biodiversity, as surely we all do. The previous Conservative Government had an extremely good record in introducing legislation to help to protect this country's environment. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) played a leading part in that.

It is impossible to measure the effort that a Government make by the amount of legislation that they pass. This Government have passed a vast volume of legislation on the countryside that has placed considerable burdens on many in the farming community, as well as wasting a lot of time. Natural England, or English Nature as it was then, spent a great deal of time chasing the old socialist policy of right to roam and spent untold millions that could have been better invested in a proper footpath network than in covering the countryside with areas with the right to roam. That is certainly the case in my constituency, which has previously been roamed on quite happily by local people. All that we have had is a lot of gates put up with labels on them, and nobody much uses the facility anyway. That was a wasted opportunity.

Martin Horwood: I assure the hon. Gentleman that the right to roam has been supported by many more people than socialists.

Mr. Atkinson: I take that point.

One cannot measure a Government's performance, or the performance of a Ministry such as DEFRA, simply on the volume of legislation—what is important is how effective it is. We must remember that 80 per cent. of our countryside is managed by British farmers.

I would like to lay to rest the impression given by the Secretary of State and by the right hon. Member for Scunthorpe (Mr. Morley) that Conservative Members are somehow attacking the ordinary individual DEFRA official. [HON. MEMBERS: "You are!"] We are not doing that. When my hon. Friend the Member for East Surrey (Mr. Ainsworth) mentioned the matter, he was quoting a farmer. It must be understood that the interface between the Government—DEFRA—and the farming industry is the official on the ground, who unfortunately, as DEFRA's representative pitching up at the farm gate, takes on the chin the farmer's anger about over-regulation and disasters such as the Rural Payments Agency and the foot and mouth epidemic. They are only doing their master's bidding. The actual fiasco of the Rural Payments Agency was nothing to do with DEFRA officials; it went straight to the Secretary of State's predecessor, who decided, contrary to the advice of the European Union, most farming unions and others in this country, to opt for a system that mixed historic and land-based elements. In Wales and Scotland they opted for the historic one, which is why farmers in Wales and Scotland are receiving payments today.

Mr. Morley: I respect the hon. Gentleman's knowledge of agriculture, but he knows that a strong body of opinion in the farming community supported the system DEFRA put in place. How would he justify, for example, putting people who had always grown vegetables and crops that were unsupported, who never had subsidies, into a system that would lock them out of that for ever, while ensuring that people who always had such subsidies—in some cases, people who did not compete in the marketplace as other farmers did—had that advantage built in for ever? Would he have justified that?

Mr. Atkinson: I take the point, and I respect the right hon. Gentleman because he was in the Department for a very long time. Of course, for many farmers there was an advantage in going to the land-based system, but the advice made it quite clear that it would be an administrative nightmare, and it was.

Mr. Morley *indicated dissent.*

Mr. Atkinson: Well, for a start, as well as the system bringing in sections such as horticulture that had not been covered previously, which could have been anticipated, no one realised that all of a sudden, nearly 50,000 other so-called farmers would come on the scene who had never even registered for the integrated administration and control scheme.

People who had bought farmhouses when farms were broken up had five, six or 10 acres of land, and they thought, "Hey, this'll be rather good. We'll claim some single farm payment for our pony paddock." They then boasted in the local pub, "I received £54 in subsidy payment." The system was overwhelmed, which is why serious, professional farmers suffered so much. In future negotiations, I hope that there will be a minimum size or standard to ensure that such people are not liable to receive the single farm payment.

The serious result of the chaos over the Rural Payments Agency and the single farm payment was that for over two years it distracted farmers from sitting down and doing what they should have been doing. Because of the delays, farmers reached a point of desperation. They were borrowing money left, right and centre from banks and owed money to their suppliers. For the past two years, they have essentially concentrated on simply keeping their heads above water. They should have been doing what they had been advised to do: using the single farm payment to make their farming enterprises profitable, instead of relying on subsidy.

The idea was that a farming enterprise should run profitably on its activities, and that the single farm payment would be money for investment and possibly profit. Farmers have not been able to do that, and as a consequence many farms and farmers in the livestock sector are running at a loss. If they properly quantified their labour, which a lot of them do not do, they would find that their losses were quite substantial.

I got some figures recently—I do not know whether the Secretary of State has seen them—from the English Beef and Lamb Executive, which has been doing research into the cost of production of livestock. For example, the loss on the average England lowland suckler herd in 2005-06 was £351 per beast. In 2006-07, that figure went down to just under £300. Right through the beef industry, the losses are about the same. The losses in the sheep sector were equivalent—a loss of nearly £50 per ewe in 2005, and a £34 loss per ewe in 2006-07. The Secretary of State can see that

there is a tremendous amount to do if we are to ensure that such farming enterprises are properly profitable. That is why we should encourage schemes such as the EBLEX better return scheme so that livestock farmers get a better result.

The disasters of foot and mouth and bluetongue came at the worst possible time, which is sad because 2007 was shaping up to be not a bad year for the livestock industry. That went down the pan immediately, particularly when the export of sheep stopped and there was a huge overhang on the market. However, the underlying trend is good because the quantities of beef and lamb being eaten in this country are up. It is a pity that farmers could not cash in on that by getting the better prices that they were anticipating at the start of the season. There is some reason to be optimistic, certainly in parts of the livestock sector. Cereal farmers are also not unhappy, but pig farmers, poultry farmers and game rearers are desperately unhappy about what has happened.

What the industry needs from DEFRA are some positive decisions on a number of hugely important outstanding issues. The first, which has been mentioned, is the issue of TB, which needs to be resolved. That is a matter of considerable urgency that has been around for at least 10 years—

Mr. Morley: Longer.

Mr. Atkinson: Indeed, longer than 10 years. Unfortunately, the chief scientific adviser supported a cull. A decision must now be taken. I appreciate that the decision is difficult, but it needs to be taken quite soon.

Perhaps more controversially, a proper decision must be taken on genetically modified crops. Possibly alone on this side of the Chamber, I favour the planting of GM crops in this country, because I see them as an important new development in agriculture that will go a long way towards feeding people throughout the world with better and healthier food. We have to make that decision. The threat if we do not make that decision is that the livestock industry will gradually migrate abroad, because GM feed prices will be much lower than feed prices in the UK. That will pose a threat to the viability of our livestock industry. We will increasingly import meat more cheaply across the tariff boundaries from South America and countries in other areas.

Those are the big issues that DEFRA needs to address. The British farming industry wants not a Ministry dogged with endless disasters, but a Ministry that can support farmers and stick up for them in an ever-changing world.

9.1 pm

Mr. Eric Martlew (Carlisle) (Lab): If I may paraphrase the hon. Member for Hexham (Mr. Atkinson), who spoke well, it appears he thinks that we should scrap the right to roam, cull the badgers and plant GM crops everywhere.

Mr. Morley: A good manifesto speech.

Mr. Martlew: Indeed. On the right to roam, I was pleased to hear the hon. Gentleman use the word "socialist", which we do not hear often enough in the Chamber. In fact, many people roam through his constituency along Hadrian's wall, past my house, through the city and right on to Bowness. There is a value in people walking the countryside, and some of the rural pubs will be pleased with the Hadrian's wall path and the right to roam.

I want to come on to what is basically a constituency speech. The motion and the amendment talk about foot and mouth disease, and in 2001 my constituency was the epicentre of the disease in the north of the country. I had the first Adjournment debate about foot and mouth disease in this Chamber when it did not seem to be a major problem. However, it turned out to be one; indeed, it was horrendous. When I found out that there had been another outbreak in the south of England, I felt so sorry for the individuals involved.

However, it turned out that we had learned the lessons from 2001. The outbreak then was difficult, as my right hon. Friend the Member for Scunthorpe (Mr. Morley) said. In 2001, we did not know that foot and mouth was around. The farmer concerned from Heddon-on-the-Wall had some terrible practices, but never reported the disease and in the end was prosecuted. That was the source of the outbreak in 2001. We argue about meat coming in from foreign countries, but if everybody had done what they should have done and if the biodiversity had been there, we would not have suffered the 2001 outbreak.

Mr. Paice: The hon. Gentleman says that if everybody had done what they should have done, we would not have experienced that outbreak. Does that include the DEFRA official who licensed the premises in Heddon-on-the-Wall, which should never have been licensed?

Mr. Martlew: I do not know, but if that is the case, they should perhaps take the blame. The real answer, however, is that the pigswill should have been boiled, but that did not happen and that was the source, although we did not hear much criticism of the farming community or that individual from the Opposition then. However, we have learned the lessons of 2001. That is good and I am glad that the outbreak has been contained, because we do not want to go through that again. The big danger with foot and mouth is that in 10, 15 or 20 years' time when we have forgotten the lessons, it might happen again. I hope that at any such time we bring in vaccinations at a very early stage.

Another issue is the Rural Payments Agency and the single farm payment. My constituents work in a very large RPA area office in the centre of Carlisle and when my hon. Friend the Under-Secretary came up, he was candid in saying that things had gone wrong, but that there was no blame to be laid on the work force. I am sorry that the Opposition seem to be blaming DEFRA civil servants. In the Rural Payments Agency in my constituency, they work two or three shifts. These are civil servants on shift work—something that I never thought I would see. They work very hard and very conscientiously, doing their best in very difficult circumstances. I hope that the Opposition spokesman who replies will acknowledge that. If we are to blame civil servants, let us blame those up near the top rather than individuals further down.

[Mr. Martlew]

Flooding is another issue in our amendment. In 2005, my constituency suffered from the worst floods in an urban area of Britain for 50 years. It may have been worse since, but those were very serious floods. Unlike those we saw this year, they happened in the dead of winter in early January. We not only had floods; we had no electricity for many days. This was the first occasion for many years on which individuals drowned in floods in inland UK. Two old ladies drowned in their own homes in Warwick road in my constituency. It just so happens—it is a coincidence—that thé Environment Agency announced today that the £12 million flood defences built in that area are now watertight. People living there will be able to sleep comfortably this winter. Unfortunately, in the part of the city where I live, the flood defences have not yet started, so I will not be able to sleep comfortably for another two years.

I would like to pay tribute at this stage to my right hon. Friend the Member for Scunthorpe. That serious flooding happened on 5 January and my right hon. Friend arrived on the morning of 6 January, when it was still raining. He gave me a commitment on that occasion—in front of the cameras, which I felt was a rather brave thing to do—that money would be made available for flood defences in Carlisle. The £30-odd million that was needed for flood defences in the city has been made available. When they are completed, Carlisle will be the best defended city in England. I really want to pay tribute to my right hon. Friend for that.

I would also like to pay a special tribute to the Environment Agency, which has done a magnificent job on the flood defences. I pay particular tribute to the lady who led the defences work, Kim Nicholson, who was there when the going was rough and made sure that the plans were delivered on time, but who tragically died this summer. It is the greatest tribute to her that her team has continued and that the flood defences are completed on budget and before time. That will be a fitting memorial for her.

Let me return to the point I raised earlier with the hon. Member for Cheltenham (Martin Horwood) about the funding of this country's flood defences. I appreciate that the Government have gone along with increases from £600 million to £650 million and then £800 million, but I can tell the Secretary of State that that will not be enough. If we reflect on what happened this summer, it is clear that we will not be able to raise enough money through general taxation to pay for all the flood defences that we will need in the future. I do not believe that it is possible. Those who live in a flood plain who pay high insurance premiums and do not sleep easy at night should perhaps be asked to pay an extra contribution in future. I am not sure what the best mechanism is for achieving that. It may be through insurance premiums, but I am sure that people would like to pay more towards flood defences and less to the insurance companies. I think it was the hon. Member for Cheltenham who spoke of the inability to obtain insurance at all for some properties, the reduction in value of properties on flood plains and sky-high premiums. I suspect that if we could provide flood defences for those communities, they would be prepared to make a small contribution. The Secretary of State should consider that point.

Another aspect of floods is the aftermath. My right hon. Friend the Member for Scunthorpe, who has seen many more skips than I have, will know that once the floods have happened the skips arrive, and are themselves flooded with rubbish that goes to landfill. In Carlisle we probably contributed to eight years of landfill in a fortnight. Where was the recycling process? I can accept what happened in Carlisle because that was the first of a series of events, but I cannot accept as the years go by that all the goods that are taken out of houses and put in skips should go to landfill. It is partly to do with the way in which the insurance companies work: it is old for new. If you have an old suite, you put it in the skip. It was amazing to see how much more was recycled by those who were not insured than by those of us who were well insured.

During the 2005 floods my car was flooded, but it was running. I ran it for a fortnight. Then the insurance people came along, and said that it was a write-off and would be crushed. My neighbour had a brand-new Porsche—

Mr. Paice: You must live in a posh area!

Mr. Martlew: It is not posh, actually, but that is another story, for which I do not have time. Anyway, the Porsche was taken away and crushed as well. The Government must take the lead on recycling in the event of flooding, especially if it is to happen year after year.

I do not believe that the lessons of Carlisle were learned. I think we should have protected the water treatment establishments and the electricity sub-stations. Fortunately not many of those went out, but the whole country should be sent the message that water treatment and sewage plants and electricity sub-stations must be protected. Nevertheless, I think that the Government are doing a good job overall, and I will support them tonight.

9.12 pm

Mr. Hugo Swire (East Devon) (Con): There are undoubtedly many challenges for DEFRA's animal health officials, who have been rightly praised today. They include the demand for successful contingency plans to bring the recent outbreaks of foot and mouth disease—once the virus had escaped from Pirbright—then bluetongue disease and now avian influenza under control. Those challenges, coupled with the increasing incidence of TB—about which we have also heard today—have stretched the successful work of DEFRA's animal health officials, so this would be a good time to ensure that they have all the resources that they require.

In August, September and October, outbreaks of foot and mouth and bluetongue disease meant that the agreed local delivery plan for Devon had to be adjusted, and contingency plans were invoked. DEFRA indicated that it expected any additional costs incurred to be kept within the overall Devon framework budget. Then it admitted that it had not done its sums. The cost agreed by local authorities and the regional divisional veterinary managers for animal disease control work amounted to £9.7 million for 2007-08, but DEFRA had allocated £8.5 million, and is seeking to claw back £1.2 million in the current financial year.

I was amazed to discover that Devon county council was notified of the situation, not by DEFRA but by the Local Authorities Co-ordinators of Regulatory Services, on 17 September. It was not until 2 November than DEFRA formally instructed Devon to make cuts in this year's budget. Can the Secretary of State tell us why it took his Department so long to learn that it had oversubscribed its funds, and why it left it until so late to inform local authorities of the required cost savings? What discussions has he had on this, particularly in respect of the south-west, with his colleague, the Minister for the South West?

Devon has now to make £68,000 of savings by March. That represents 12 per cent. of its framework budget, but because it has to make the savings in this financial year it actually means that there will be a 48 per cent. cut in animal disease-control work. As there is merely four months to find £68,000, the only option for Devon county council is to fire five out of eight animal health officials or to pay for them itself. Those officials are in the front line against infectious diseases. If they are fired, I am sure that the Secretary of State would agree that Devon will, in the words of a local official, have

"very little to no preventative disease control"

and, as that official continued,

"Devon would be unable to maintain a presence at disease outbreak 'critical control points'".

The 2006 agricultural and horticultural survey shows that Devon has more cattle than any other local authority in England, the second largest number of sheep and the fifth and sixth largest numbers of pigs and poultry respectively. Farms in Devon employ 23,000 people, which is more than any other local authority, and Devon covers the largest geographical area of any local authority—approximately 1.6 million acres. The Secretary of State has given commitments in respect of "rural-proofing" so that policies take account of rural circumstances and needs. Is he therefore satisfied with his cuts, which would lead to one official per 550,000 acres, one official per 190,000 cattle, one official per 490,000 sheep and one official per 1,700,000 chickens? I think I am right in saying that the south-west produces twice as much food as Scotland and three times as much as Wales—that is a staggering set of statistics, and it leads to staggering thoughts. Given the importance of agriculture in Devon, will he enter into discussions on its funding requirements as a matter of urgency? How can the Secretary of State satisfy himself that these cuts would not impinge upon future disease prevention, containment and control? The House will remember—we have heard from the hon. Member for Carlisle (Mr. Martlew)—the heart-breaking scenes, such as across my county of Devon, of the last outbreak of foot and mouth in 2001, and Members will be aware of the vital importance of managing future outbreaks effectively.

By 2010, the Department for Environment, Food and Rural Affairs must achieve a

"25 per cent. reduction in administrative burdens".

We have seen what happens—such as in the top-down cuts on courier services in Her Majesty's Revenue and Customs, which have had devastating consequences—and I urge the Secretary of State to speak to all local authorities to ensure they have the right number of animal health officials so that we can react quickly to any potential outbreak of foot and mouth, bluetongue, avian influenza or TB.

I was concerned in reading the Secretary of State's speech at the Farming for the Future conference on 19 November that he said there should be a major shift of the cost and responsibility for animal health from Government to the industry, and he repeated that point this afternoon. I would be grateful if the Secretary of State or one of his Ministers took this opportunity to enlighten us on the framework for

"market-based ways of managing animal disease risks, including associated costs."

I note the Government have received a submission from representatives of the UK livestock sector which urged them to

"reconsider the proposed measures on cost sharing for animal diseases."

That is not surprising given that foot and mouth in 2001 has been estimated to have cost the economy £5 billion. The irony seems to have been lost on the Secretary of State given that he believes that the

"additional cost of disease outbreaks"

is "unsustainable" yet the latest outbreak of foot and mouth was not caused by the industry but originated in a Government laboratory—which, I hope Ministers will agree, is unsustainable—and there was a second incident at Pirbright, which is shameful.

I know the industry would be happy to become more involved in policy and operational decisions. However, such decisions must not be driven by any political desire to offload from DEFRA a basic responsibility of Government just because it is difficult to manage and because DEFRA is under budgetary pressure. Given that beef, sheep and pig producers have been saddled with enormous additional costs—at least £100 million—as a result of the outbreak of foot and mouth this year, as well as steep increases in feed, energy and regulatory costs, does the Secretary of State agree that this is perhaps the worst time to increase further the burden on farmers? I am pleased that the Secretary of State will have time to consider those and other points when he goes to Bali with many of his officials shortly, but I hope that the officials he leaves behind will deal with an issue closer to home, and which relates closely to Devon: animal health and welfare.

I want briefly to discuss poultry welfare and labelling, and the continuing failure of DEFRA and its officials to deal with those issues. Is the Secretary of State aware of growing consumer concern about broiler chicken welfare? The supermarkets' heavy discounting has squeezed farmers' margins to the point where they are unable to make welfare improvements. Sadly, it is increasingly common for some producers to rear flocks of 40,000 birds, each living in an area smaller than an A4 sheet of paper.

Does the Secretary of State agree that consumer demand can stop that treatment, and that a requirement for improved labelling on poultry meat would enable consumers to make an informed choice about the chicken that they buy? If he does agree, or if he is tempted to do so, I hope that he will support the chef, Hugh Fearnley-Whittingstall, who has recently moved his River Cottage business into my constituency, and conducted his "Chicken Out!" campaign in Axminster. That campaign is trying to change consumer habits by informing consumers of

[Mr. Hugo Swire]

animal welfare. I hope that the Ministers and DEFRA officials will study the findings of that project, which will potentially have a huge impact on producers and consumers alike.

9.20 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I must tell the Secretary of State that it would be a gross underestimate of reality to describe DEFRA's reputation in my constituency as poor. I ask him to accept that that is not because of any deep-rooted prejudice or unfairness. It is because of the daily experience of thousands of my constituents who pursue rural activities such as farming, not only at the hands of DEFRA officials, but as part of a culture that seems to have been born with DEFRA but has not yet successfully been altered.

That is not to say that many civil servants in DEFRA are not dedicated, able and committed. I am a member of the Select Committee on Environment, Food and Rural Affairs, and I have the privilege of listening to some of them give evidence. The sincere eagerness and urgency with which they regard the need to resolve many of the problems that affect my constituents and with which they are faced is quite apparent.

Dan Rogerson (North Cornwall) (LD): The hon. and learned Gentleman is making excellent points about the good staff at DEFRA. Does he agree that there are issues to address about the extremely increased use of temporary staff in some of the agencies involved with DEFRA? Such an approach is undermining the performance of staff who have been there for much longer.

Mr. Cox: I agree with that, but I shall not be distracted from my main point. There is a problem—the Secretary of State may say that it is a problem with perception—about how DEFRA is felt to act and operate in rural areas such as mine. I suspect that other hon. Members' constituents have told them of similar experiences. I have asked myself why that should be.

The Secretary of State made a brave defence of those who work under him, and its warmth was a credit to him—one would have expected that. The fact remains that whether it is because of how DEFRA was conceived or because of some institutional failure of leadership, DEFRA is regarded as a standing joke in the communities that I represent—often the joke is a grim and sardonic one, but it is a joke none the less. There is a complete want of trust and a constant feeling that DEFRA is not standing by the side of those rural communities. They feel that it is standing on their shoulders and driving them down. I ask the Secretary of State to accept that it is not impossible to understand why that should be. Brave though his defence of his Department was, the fact is that it has made a pathetic litany of error and incompetence, almost since the moment that it was brought into being.

The Secretary of State must recognise that it is unusual for a Select Committee in which his own side has a preponderance—I am sorry that the right hon. Member for Scunthorpe (Mr. Morley) is not in his place—actually to call for the resignation of the then Secretary of State when dealing with a report. By then she had become Foreign Secretary, but that recommendation was not lightly made. It was made after careful and due deliberation. The Committee said—I hope that the Secretary of State has read the report—that there had been a clear failure of political leadership, not only in the initial decision to introduce a complex hybrid scheme, but in the subsequent follow-through. Indeed, the Minister of State said in evidence to the Committee that the Department did not follow it through. The decision was criticised on all sides as the wrong decision—it was not only the fault of the civil servants, and Ministers should not hide behind the human shield of civil servants who cannot answer for themselves—and it was a failure of political leadership. It was a criminal act of neglect. What should the people of the countryside think when they hear the Secretary of State say to the House today that there is nothing fundamentally wrong with his Department, even though the Select Committee—with a preponderance of Labour Members—told the then Secretary of State that she should consider her position and that there had been a failure of political leadership?

Let us consider other decisions, such as the Department's decision on bovine tuberculosis. In 2005, the strategic review of bovine TB called for a partnership between the farming community and DEFRA and everybody welcomed that. In 2005, I was told in the House by one of the Secretary of State's predecessors that the time for a decision on bovine TB was very near, but nothing has been done. In 2006, the Minister of State told me that the time was nigh and that, after a three-month consultation, the decision would soon be taken. He said that it was necessary to see whether the statistics, which seemed to suggest a fall in numbers in 2006, were borne out. Since 2006-07, of course, the incidence of bovine TB has risen by 22 per cent. There have been some 2,617 herd incidents. Nothing has been done.

It is not right or credible to say to the farming community that the Government want a partnership with it while they continue to load the cost of the disease through the introduction of tabular valuations, and fail to take the brave decision that is plainly needed to use culling as an instrument of policy. It should not be the sole instrument of policy, or even the main instrument of policy, but it must be an instrument available in the hotspot areas of dense infection, where the balance of risk favours it. But no decision has been taken.

The Secretary of State asks for time. He said as much to the Committee recently. But every Secretary of State before him has asked for the same thing. They have all said that the time for a decision was near, come to the very brink of that decision, and then pulled back. How can the country people whom I represent have confidence that this Secretary of State will listen and take a decision when the two previous Secretaries of State have failed to take that decision although they, too, said that the time was nigh?

I shall give an example. Mr. David Grigg in my constituency has a pedigree herd of the most beautiful and valuable Holstein cows. It has recently been placed

under bovine TB restrictions and several of his prize breeding animals have been condemned. They have already been slaughtered.

I ask the Secretary of State to look into this case. One animal, a prize-winning cow worth £20,000, is still alive. Her half sister sold for 16,000 guineas just the other day, and she is a most superb example of this country's breeding stock. If DEFRA slaughters that animal, even though she is not even a conclusive reactor, Mr. Grigg will receive just £1,400 in compensation. Farmers have been told that they must be in partnership with the Government, but how would the Secretary of State feel if he owned an animal like that and then discovered that she was to be taken from him and slaughtered? That is neither fair nor equitable, and it is no wonder that people in the countryside consider DEFRA to be a sardonic joke.

The Pirbright saga is another example, and the Secretary of State and I have already had an exchange about it. To do him credit, he did not seriously deny that it was a clear failure in the system, although I believe that it was, in part at least, a failure of his Department. The drains at the Pirbright facility were known to be dilapidated and due for replacement, but even so the foot and mouth virus escaped. No one inquired whether the drains were able to cope with having live virus flushed down them, or whether the virus would leech into the outside environment.

That was an act of negligence, but the Secretary of State has come to the Dispatch Box to tell the country, and country people, that DEFRA has been acting well, even though at least part of the cost, stress and distress of the latest foot and mouth outbreak can be traced unerringly back to it. He should not feel surprised, therefore, by the suggestion by my hon. Friend the Member for East Surrey (Mr. Ainsworth) that farmers have a grim and sardonic view of the Department.

However, what happened was not a failure by civil servants, for whom he so warmly and creditably stood up. The failure was caused by the political leadership of two successive Secretaries of State and, unless the right hon. Gentleman listens to what is being said in this debate, there is a danger that he will be the third one to be held responsible. The financial management of the Department has led to £50 million already being overdue—

Mr. Deputy Speaker: Order. I almost feel sorry to be anticlimactic, but I call Mr. Richard Benyon.

9.32 pm

Mr. Richard Benyon (Newbury) (Con): I feel entirely anticlimactic, Mr. Deputy Speaker, after the fantastic oratory of my hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox). However, before I say any more, I must refer the House to my entry in the Register of Members' Interests.

The Secretary of State recently wrote to every farmer in the country. I was very grateful to receive that letter and to hear of his commitment to British farming, but he will understand from what has been said in the debate by my hon. and learned Friend the Member for Torridge and West Devon, and by my hon. Friends the Members for North-East Cambridgeshire (Mr. Moss) and for East Devon (Mr. Swire), that many farmers will be looking to him for action rather than warm words.

The reality of British agriculture is represented not by barley barons driving Range Rovers, but by the ashen-faced people we saw every night on our televisions during the 2001 foot and mouth outbreak. They work an 80-hour week and take home less than the minimum wage, but at the time they were watching their life's work go up in flames. They have been beaten down by those who should have been helping them but who have too often placed the hand of regulation on their shoulders. That regulatory imposition has been backed up by incompetence and a lack of understanding.

During the latest outbreak, one of my constituents telephoned the DEFRA office to ask what he should do with the 1,400 lambs that he had to move that week. He was asked, "Well, haven't you got any hay for them?" That shows how little understanding there is in the Department of the dynamics of stock farming. If I have time, I shall return to that later in my contribution.

I want to move the debate slightly away from farming and talk about another of DEFRA's responsibilities—rural communities—to show the impact on them of the shambles in the Department's finances. I draw the attention of the Secretary of State to the work of rural community councils, which are organised by counties and funded in part by DEFRA. They lobby local authorities on behalf of rural communities and support community organisations in rural areas. In my area, for example, RCCs assist with parish planning—a wonderful concept that has done much for local governance and widening its base.

The councils target help for disadvantaged people in rural areas. They support and promote social enterprises. In a small way, they help village halls become sustainable organisations by encouraging more involvement from local people. They ensure that there is sensible working between Government agencies, primary care trusts, fire authorities and other bodies; they act as the rural conscience of those organisations and make them work for rural as well as urban people. RCCs help with education, learning and skills training for people in rural areas. They run projects for disaffected young people, and assist in drug prevention schemes and other worthy initiatives.

DEFRA's funding for those organisations is being cut and, in many cases, axed. Today, I heard that a number of RCCs will not be able to continue in their entirety—*[Interruption.]* I shall be interested to hear what the Minister for the Environment says in the wind-ups. In Berkshire, the comparatively paltry sum of £117,000 will be axed next year. That money levers nearly £1 million into rural communities in constituencies such as mine.

Tomorrow, the Under-Secretary of State, the hon. Member for Chatham and Aylesford (Jonathan Shaw), will attend a 21st century village conference in Westminster. He will have to tell the RCCs that will be represented there why DEFRA is cutting funding for rural communities when they desperately need the help that I have just described. It is yet another example of how the problems of DEFRA's current financial status affect people in real life.

The Institute for Animal Health—the sister organisation to Pirbright—is in Compton in my constituency. We

[Mr. Richard Benyon]

live in a world where we face avian influenza and foot and mouth disease. Bovine tuberculosis is a constant blight on the rural farming community and now we face the bluetongue virus. Those institutes are in the front line in the battle against those organisms.

I have talked to past and present scientists at Compton, and they express real anger because in some circles they are held up as the whipping boys for some of the problems—possibly the big problem—at Pirbright. For a long time, they have been telling the Government that their methodology for attacking those diseases is world renowned, yet the Government will not let them operate that methodology, which is to examine the entire biology of the pathogens. It is a complicated, expensive and lengthy process and too often the Government ask the scientists to narrow their field of investigation and look only at particular elements. The scientists say that the Government are asking them for a quick-fix solution, which it is impossible for them to provide.

At a time when diseases are affecting rural communities as never before, funding for those crucial organisations has been reduced from £7.5 million in 2001 to £3.9 million—by more than half in real terms. I hope that the Secretary of State can understand the real anger of some scientists.

I conclude by making an impassioned plea. I cannot speak with the vigour and eloquence of my hon. and learned Friend the Member for Torridge and West Devon, but I shall speak up to the best of my ability for mixed farming and stock farming in Britain. I have the honour and privilege to represent one of the most beautiful parts of the south of England: the Berkshire downs. I have known the Berkshire downs for all of my 47 years and I still find them hauntingly beautiful.

We have heard excellent contributions from Members talking about biodiversity. My worry is that, although the Berkshire downs may still be beautiful, they are no longer a centre of mixed farming, as they were just a few years ago. I can count the number of pig farmers in the Berkshire downs on the fingers of one hand. When it comes to the number of stock and dairy farmers, I am one of the few that remain in that part of Berkshire. The effect of that is being felt when it comes to biodiversity and the whole rural community. That is not something that can be reversed. In the central south of England, and many other parts of the country, we are losing the infrastructure that supports stock farming. We are losing marts. I am running out of time, but I hope that the Minister will address those points when he winds up.

9.40 pm

Mr. James Paice (South-East Cambridgeshire) (Con): One thing that this debate has achieved is to remind us of the great breadth of DEFRA's responsibilities: the environment, food and rural affairs. Unfortunately, farming is not mentioned in the title, and yet it is essential to so many of the Department's activities. In that context, I remind the House of the interest I have declared in the register.

I want to start by referring to some of the Secretary of State's remarks. There is no contradiction between recognising—rightly—the expertise, knowledge, enthusiasm and commitment of individual members of his staff, and our overall concerns about the lack of co-ordination, direction and management that have given rise to the perception, which so many of my hon. Friends have referred to, that the Department is, as my hon. Friend the Member for North-East Cambridgeshire (Mr. Moss) said, not fit for purpose.

I thought at one stage in the Secretary of State's litany of what he claimed as successes that he was going to claim credit for the non-flooding of eastern England, following the surge that did not quite happen a few weeks ago. I can just remember the 1953 floods—I was a very small child living on the Suffolk coast—and they were horrendous. However, we should not do anything other than thank goodness that they were not repeated. The Department cannot take the credit—or criticism—because thankfully the defences and the plans were not properly tested.

I also want to refer briefly to foot and mouth. We have already had an Opposition day debate on that subject so I do not intend to spend a great deal of time on it. In response to the hon. Member for Carlisle (Mr. Martlew), in that debate I said that of course the Government had learned the lessons of 2001. God forbid that they had not, because, as he and others have said, it is almost impossible to imagine the situation being any worse than it was at that time.

The Secretary of State made no reference to the £50 million overspend on administration, which the permanent secretary described to the Select Committee a week or so ago. When it comes to cutting the number of staff, the Secretary of State referred to meeting the head-count targets, but said nothing to explain why those staff were taken on in the first place if they are supernumerary to requirements. If they are required, why are we getting rid of them? Most importantly, having to make in-year cuts demonstrates the incompetence of management. Invariably, those cuts can be met only by cutting expenditure at the front line, not letting contracts that have not yet been let, and not carrying out front-line functions, because we all know that cutting staff does not save money in the year that one does it, because of all the associated costs.

My hon. Friend the Member for North-East Cambridgeshire and my hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox) made it absolutely clear that the perception of DEFRA on the ground in farming is very different from that which the Secretary of State described to the House. They both described cases in their constituencies where incompetence and bureaucracy got in the way of the farmers going about their business.

The hon. Member for Bridgend (Mrs. Moon), for whom I have a lot of respect when it comes to environmental issues, rightly talked about the importance of biodiversity; I agree with a great deal of what she said. I thought that she had to scrape the barrel to find a criticism to make of the previous Conservative Government. It was that Government who introduced the Wildlife and Countryside Act 1981—a major trail-blazing piece of legislation on which much legislation has recently been based. That Government also introduced environmentally sensitive areas, and the pilot environmental stewardship schemes

on which the right hon. Member for Scunthorpe (Mr. Morley) built when he took up ministerial responsibilities.

Mr. Morley *indicated assent.*

Mr. Paice: I am glad that the right hon. Gentleman acknowledges that. I noticed that the hon. Member for Bridgend made some pretty subtle criticisms of funding cuts and their impact on biodiversity.

Hon. Members raised the issue of tuberculosis. We could spend a whole debate on that subject. As my hon. and learned Friend the Member for Torridge and West Devon said, we have had 10 years of virtually no progress. More than £500 million has been spent and some 160,000 cattle have been slaughtered, yet there was no strategy. There have been lots of reviews and discussions, and a series of piecemeal measures.

The right hon. Member for Scunthorpe and others said that we must be guided by science. Of course we must, but it is hard to be guided by science when the scientists cannot agree. He knows full well when he supports Professor Bourne that Professor King said something completely different. Sometimes Ministers have to grasp the nettle and make a tough decision. They have to decide what scientific evidence they accept and go with it. They need to have the courage of their convictions.

Mr. Morley: Will the hon. Gentleman give way?

Mr. Paice: No, I am sorry. I cannot give way because I do not have any overspill time, unless the Minister for the Environment plans to give it to me.

The issue of the single farm payment has been widely discussed. The Secretary of State apologised, but ignored the damning report by the Select Committee on Environment, Food and Rural Affairs. The problems largely arose because the then Secretary of State, the right hon. Member for Derby, South (Margaret Beckett), completely ignored the warning, given by people across the industry and in the House, that the scheme was destined for disaster. As my hon. Friend the Member for Hexham (Mr. Atkinson) reminded us, the problem was partly caused by extending subsidy to many people who had not previously received it, which seems a funny way of setting about weaning people off subsidy.

Members including the Secretary of State talked about cost-sharing. The Government propose saving £120 million in three years through cost-sharing. That starts next April, but the consultation on how that will work has not even taken place yet. Let us get a few things clear: Ministers have agreed with the National Farmers Union and others that the current foot and mouth outbreak and bluetongue have cost the industry more than £100 million—and the figure is rising. So far the industry has been given £12.5 million in a Government package. According to the permanent secretary, the problems have cost the Department for Environment, Food and Rural Affairs £32 million. They have cost the industry more than twice what they have cost DEFRA, so there already is cost-sharing when it comes to disease control. Is that not true cost-sharing? How can the industry find another £40 million, as the Government require?

More importantly, the Government need to put their house in order. We have heard about Pirbright and the causes of the outbreak of foot and mouth. What about illegal meat imports to this country, which are estimated at 12,000 tonnes a year? According to the latest figures, only one in every 7,400 seizures results in prosecution. That is an open door to smugglers, and it is another reason why the industry cannot be expected to share the costs until the Government get to grips with their responsibilities.

There is also the issue of the burden of regulation. Last year, DEFRA put forward more regulations than in any year since its inception. Tonight we are being asked to congratulate it. Should we congratulate it on the ever increasing number of regulations that it produces? In the past six months, it has consulted on 37 new regulations. On 25 October, the Secretary of State said in the House, on climate change, that he was entering a "genuine consultation", which prompts the question: how many of the other 37 were not genuine?

In the countryside, as others have said, DEFRA has become a byword for incompetence. In 2005, the Government said that food security was not a policy objective. The Department has presided over an industry in collapse. It has done nothing but trot out warm words. Even the Minister of State, Lord Rooker, whose candour initially won the hearts of the farmers, has failed to achieve change. The whole Department seems to have lost sight of the need to help or encourage the industry, but instead wants to control and regulate it, as others have said.

The Government need to understand that regulation is the enemy of enterprise. When will they understand that if the industry continues to contract, it will not be there when it is needed? If shortages continue as a result of climate change, population growth and prosperity, we will need that food. This debate, and especially the Government amendment, have highlighted the utter indifference and complacency that DEFRA shows to rural areas. However many Secretaries of State, however many future Foreign Secretaries, the chaos under them is the same. None has ever run a business; nobody seems prepared to take responsibility; nobody cares. If DEFRA were a company, it would have long since folded. It is time for a change. I commend the motion to the House.

9.50 pm

The Minister for the Environment (Mr. Phil Woolas): I repeat the opening remark of my right hon. Friend the Secretary of State—I am as delighted as he was that the Opposition have given us the opportunity to put the record straight and to put to bed some of the producer-led nonsense that we have heard tonight, as if the past of the Ministry of Agriculture, Food and Fisheries was a proud record, and as if we had not made progress on the big questions of the environment.

I respect the views of hon. Members on both sides of the House representing farming interests. They make a great mistake when they assume that no farming interests are represented on the Government Benches. The picture painted by the Opposition bears no resemblance to reality. I recognise the importance of farming, but it is noticeable that no solutions to the alleged problems have been put forward.

[Mr. Phil Woolas]

I reject the central accusation in the Opposition motion this evening—that the Department is cutting its expenditure. *[Interruption.]* With respect, that is what the Opposition motion says. I suggest that hon. Gentlemen read their motion. I doubt that many of them have done so. I repeat what my right hon. Friend the Secretary of State said. The expenditure of DEFRA is to increase from £3.5 billion this year to just under £4 billion by the end of the comprehensive spending review period. It is because of the macro-economic policies of the Government, opposed by the Conservatives, that we can increase expenditure in these areas, including, for example, the £121 million investment in the Pirbright laboratories that have been criticised today.

What cheered me up tonight was that the Conservatives have shown that they have not shed their oppositionalism and their mindset—their attitude of mind that condemns them to permanent opposition, because they will not put forward policy ideas that accept the responsibility that all Governments have—that is, to balance budgets. They describe the efforts of my right hon. Friend and his team to balance our budget as cuts. That is not an economic policy. It is the folly of opposition.

The speech from the hon. Member for East Surrey (Mr. Ainsworth) was rather disappointing. I was looking forward to it, but it was short on substance and full of knee-jerk press release language. My right hon. Friend will lead the United Kingdom delegation to the United Nations framework convention on climate change this weekend as one of the most respected internationalists and environmentalists in the world, a man of incredible integrity and intelligence, with a grasp of the detail of the brief, as we have seen tonight, that leaves Opposition Members wallowing in his wake. Above all else, despite all the criticism and the pressures that he has faced since he took office, he has remained his father's son, and shows a politeness that is a commendable quality in a leading politician. Contrast that with the points made by the Opposition.

Tonight's wisest comment came from my right hon. Friend the Member for Scunthorpe (Mr. Morley). He reminded us that the Ministry of Agriculture, Food and Fisheries was a throwback to the 1960s—although I would say the 1930s. Despite 18 years of government, the Conservatives never got rid of it. I have done my research, and should like to refer to the memoirs of the last Cabinet member for MAFF under the Conservative Government. The book, of course, relates to the rosy days of MAFF under the Tories. This is what Gillian Shephard wrote, "It was regarded by smart political commentators as dull and by other Departments as incomprehensible. The Minister was left alone for the most part. MAFF's budget is so small that it is hardly worth fighting over." She went on, "Much as I love the work of MAFF, its best friend could not claim that its policy issues were anything other than impenetrable, especially when they were being discussed in a crowded, steamed-up car on the way to Heathrow early in the morning." She gives us other insights.

Martin Horwood: Will the Minister give way?

Mr. Woolas: No—the hon. Gentleman will especially like this bit. "Of course," Mrs. Shephard wrote, "relations between lobby groups and professional organisations did not always run smoothly. Many Ministers bear the scars of encounters with their enraged customers. Michael Jack"—the right hon. Member for Fylde (Mr. Jack)—"was my talented Minister of State. He had his fair share of upsets with the fishing community. He decided to meet the fishermen beforehand at Brixham and he arrived to find a huge and noisy demonstration. Flowers and eggs were thrown at him and he was covered with a pancake mixture. Nicholas Soames, the Parliamentary Under-Secretary at MAFF, ran into difficulties with the badger conservation lobby."

Mr. Speaker: Order. It is one thing to quote from a book, but we are not a reading club.

Mr. Woolas: Mr. Speaker, thank you for pulling me up. I commend the book to the House as a damning record of MAFF under the Conservative Government.

I contrast that book with the 2007 DEFRA national statistics book "The Environment in your Pocket", which is produced by independent statisticians—the very civil servants whom Conservative Members have condemned tonight. On every page, there is a record of success. Recycling in 1996-97 is compared with that in 2007, and it has increased from 51 to 88 per cent. Glass recycling has increased from 47 to 80 per cent. The recycling of tins and cans has increased from 34 to 68 per cent. Let us turn over the page to consider the impact of our climate change policy. Despite the Opposition's warnings, we are one of the few countries in the world that is on target to fulfil its Kyoto objectives. That is hardly the action of a Department that is unfit for purpose, as the Opposition claim. Other pages cover the wider environment, such as coastal and marine waters, which sustain our fish. In 1996, only 5 per cent. of fishing stocks were sustainably harvested. The figure has increased sevenfold under the Department's successful policies. On every page—

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move*, That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 186, Noes 275.

Division No. 021] **[9.59 pm**

AYES

Afriyie, Adam	Bercow, John
Ainsworth, Mr. Peter	Beresford, Sir Paul
Alexander, Danny	Binley, Mr. Brian
Amess, Mr. David	Blunt, Mr. Crispin
Ancram, rh Mr. Michael	Bone, Mr. Peter
Atkinson, Mr. Peter	Brake, Tom
Bacon, Mr. Richard	Brazier, Mr. Julian
Barker, Gregory	Brooke, Annette
Baron, Mr. John	Browning, Angela
Barrett, John	Bruce, rh Malcolm
Beith, rh Mr. Alan	Burns, Mr. Simon
Benyon, Mr. Richard	Burrowes, Mr. David

Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stewart Jackson and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Haverd, Mr. Dai
Hendrick, Mr. Mark
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret

Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Alison Seabeck and Steve McCabe

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 272, Noes 187.

Division No. 022] **[10.13 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel

Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hesford, Stephen
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilisley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Alison Seabeck and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brake, Tom
Brazier, Mr. Julian
Brooke, Annette
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Davies, Mr. Dai
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter

Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Stewart Jackson and Jeremy Wright

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House commends the Government on its swift and effective action to deal with four different disease outbreaks in England in 2007; welcomes the announcement on 8th October 2007 of an aid package to farmers worth £12.5 million through extra support to hill farmers, fallen stock collection, meat promotion and help for farming support charities; congratulates the Department for Environment, Food and Rural Affairs (Defra) on its effective emergency planning arrangements in conjunction with the emergency services and local authorities to warn those at risk from the recent tidal surge and initiate precautionary evacuation; applauds the increase in spending on flood defences since 1997, a 30 per cent. increase in real terms to around £600 million, and the announcement that spending will rise to a maximum of £800 million by 2010-11; and further congratulates the Government for bringing together environment, rural affairs and food and farming under Defra to create a unified structure essential for the effective delivery of integrated Government policies across these issues.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

LEGAL SERVICES COMMISSION

That the draft Criminal Defence Service (Very High Cost Cases) Regulations 2007, which were laid before this House on 19th July, in the last Session of Parliament, be approved.—*[Mr. Michael Foster.]*

Question agreed to.

EUROPEAN DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

ECONOMIC PARTNERSHIP AGREEMENTS

That this House takes note of European Union Documents No. 14498/07, Commission Communication, Economic Partnership Agreements, and No. 14968/07 and ADD 1, Council Regulation applying the arrangements for goods originating in certain states which are part of the African, Caribbean and Pacific Group of States (ACP) provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements; and welcomes the progress being made.—*[Mr. Michael Foster.]*

Question agreed to.

PETITIONS

Community Hospital (Braintree)

10.26 pm

Mr. Brooks Newmark (Braintree) (Con): I beg leave to present a petition on behalf of 2,641 of my constituents, in addition to a further 9,500 local people who have signed a parallel petition initiated by the *Braintree and Witham Times*—in other words, more than 12,000 petitioners who demand that the Government honour their commitment to local health care by building a community hospital in Braintree.

The petition states:

The Petition of the people of Braintree,

Declares that a new community hospital on the site of the former St. Michael's hospital in Braintree is a vital part of a renewed community hospital network which is needed to deliver improved local care. Further declares that the continuing delays in approving a new community hospital for the people of Braintree, together with an ongoing programme of cuts and closures to viable and valued community hospitals, is at odds with the commitment made in the Health White Paper "Our Health, Our Care, Our Say".

The Petitioners therefore request that the House of Commons shall urge the Department of Health to remove any remaining barriers to the construction of a community hospital for the people of Braintree.

And the Petitioners remain, etc.

[P000049]

2012 Olympic Tax Levy

10.27 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I wish to present a petition with 8,096 signatures of members of the Bexley pensioners' forum and others on a matter on which they feel very strongly.

The petition states:

The Petition of Members of Bexley Pensioners' Forum and others,

Declares that they object to the "Olympic Tax Levy" on London Council tax payers, without their consent. The London 2012 Olympic Games plans submitted to the International Olympic Committee emphasised that the 2012 Olympic Games would, and must be, of benefit to all areas of the United Kingdom. That being the case, Londoners should not be the only section of the UK population to have a special Olympic Tax imposed on them.

The Petitioners therefore request that the House of Commons urges the Department for Culture, Media and Sport to reconsider the imposition of the Olympic Tax on Londoners and further caps any losses being passed on to London Council tax payers.

And the Petitioners remain, etc.

[P000071]

Post Office Closures (Brighton)

10.29 pm

David Lepper (Brighton, Pavilion) (Lab/Co-op): I present a petition against the proposed closure of a post office at 221 Preston road in my constituency. The petition is in the name of Linda Baguley and is signed by 895 residents and people working in the area, including 37 members of staff of Brighton and Hove city council's children's services department.

The petition declares:

The Petition of those affected by the closure of the Preston Road Post Office in Brighton,

Declares that they protest against the closure of 221 Preston Road Post Office. That it is an excellent facility and is well-used by the local community. That they will have no Post Office if the closure goes ahead as the alternative facilities are not accessible by public transport and involve walking up very steep hills—impossible for the elderly or those with limited mobility. And that driving is a bad option environmentally. Parking is already at a premium near the Post Offices in Preston Drove and Matlock Road.

The Petitioners therefore request that the House of Commons urges the Department for Business, Enterprise and Regulatory Reform to make representations to the Post Office Ltd so that the 221 Preston Road, Brighton, Post Office remains open.

And the Petitioners remain, etc.

[P000073]

ADJOURNMENT

Resolved,

That this House do now adjourn.—*[Mr. Michael Foster.]*

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Wednesday 5 December 2007

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Burma

1. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): If he will make a statement on the humanitarian situation in Burma. [171074]

3. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): If he will make a statement on the humanitarian situation in Burma. [171076]

The Parliamentary Under-Secretary of State for International Development (Mr. Shahid Malik): Severe economic mismanagement has led to one third of Burma's population living on less than 16p a day, and the recent brutal suppression has created even greater hardship. In response, the Department for International Development is providing £1 million to meet urgent humanitarian needs, as well as the £8 million already planned for this year. This week, DFID agreed to increase by £100,000 this year's funding to the Thailand Burma Border Consortium for its work with internally displaced people and refugees along the border.

Mr. Evennett: I thank the Minister for that very encouraging response setting out what the Government are doing, but what steps is his Department taking to ensure that economic sanctions against that dreadful regime in Rangoon are carefully targeted on the junta and its cronies, and do not damage the livelihoods of the already impoverished people of Burma?

Mr. Malik: The hon. Gentleman will be aware that on 15 October, European Union Foreign Ministers agreed to tougher sanctions. These are sanctions targeted on the cronies and the regime, and they focus on timber, precious metals and gems. I had the opportunity this week to speak to Mark Canning, Her Majesty's ambassador in Rangoon, who is doing an excellent job. He told me that the sanctions are biting, and gave the example of a person he described as the No. 1 crony of the regime, who owns Air Bagan. It has been forced to shut accounts in Singapore, and it might well be the case that it closes altogether within the next two weeks.

Mr. Vara: With more than 25 per cent. of the people in Burma living on less than $1 a day, why did the Government not endorse the recommendation of the International Development Committee to quadruple aid by 2013?

Mr. Malik: We fully recognise the need to increase funding and support for Burma. It is for that exact reason that on 29 October this year, my right hon. Friend the Secretary of State announced a doubling of aid to £18 million from the current £9 million, which is broadly on a trajectory to meet the target of quadrupling aid by 2013 recommended by the IDC report. We will, of course, review the situation in 2010-11, but Members who have a longer memory of this place than I do will recall that in 1997 aid to Burma was £250,000.

John Battle (Leeds, West) (Lab): I thank the Minister for increasing aid to Burma, not least in the light of the report of our International Development Committee, which stressed that for too long the poor and displaced of Burma had been neglected. Will he spell out a bit more where the money will go? It is really important that it reaches the poor and is not filtered out.

Mr. Malik: My right hon. Friend has a long track record in international development matters. He is absolutely right to request that that information be spelled out. I shall speak about the £1 million that was announced. It will go to monastic schools and orphanages, and will also be spent on feeding malnourished children in primary schools, on water and sanitation projects, and on supporting Médecins sans Frontières in its work to provide basic health care.

The doubling of spend will focus on areas where we have already had a really big impact such as primary school education, HIV, tuberculosis, malaria, refugees and internally displaced persons—the IDC made it clear that such work needed to be upscaled—and work on civil society organisations. Of course, we continue to work with the rural poor, which is a massive challenge in Burma.

Ann McKechin (Glasgow, North) (Lab): My hon. Friend will be aware of the horrific incidence of rape and sexual violence against women by militia groups in Burma. Will he explain how his Department hopes to assist civic society groups that support women in Burma in their campaign to bring that issue to the world's attention?

Mr. Malik: My hon. Friend is right to talk about the outrage that exists in Burma. We have provided a new £3 million to strengthen civil society organisations and build the foundations of democracy. We are also discussing our programme over the next three years with various non-governmental organisations, and I have no doubt that the area of concern she raises will receive the attention it deserves.

Malcolm Bruce (Gordon) (LD): Can the Minister say how much more difficult it is to get aid through to civil societies from Rangoon following the recent demonstrations and crackdown? Given the need to get aid to people wherever they are, will Ministers review the closure of the office in Bangkok in view of the fact that so many out-of-country organisations are based there and need regular support?

Mr. Malik: I shall attempt to give some comfort to the right hon. Gentleman by saying that staff in the Rangoon office will increase from three to 10. We are increasing our capacity in London, stepping up co-ordination between in-country and cross-border assistance and working with the United Nations. DFID staff will make more frequent visits to the borders and the camps. This week, I had an opportunity to speak to Rurik Marsden, who heads the DFID office there, and he said that he had already visited five of the nine camps. Of course, we have the embassy in Bangkok, which will liaise with the Thai Government to monitor the position on the border. The right hon. Gentleman is right to raise the matter. I hope that the reply will give him some reassurance that we are serious about tackling it.

Gordon Banks (Ochil and South Perthshire) (Lab): Can my hon. Friend advise the House whether he believes that DFID provides adequate support to combat the significant HIV/AIDS problem in Burma?

Mr. Malik: My hon. Friend is right to focus on HIV/AIDS, which was a taboo subject only a few years ago. We have made incredible inroads in the fight against HIV/AIDS in Burma. For example, 48 million condoms were distributed in 2005—a fourfold increase on 2000. There has been a 70 per cent. increase in the number of people visiting sexually transmitted infection clinics since 2000. Some 1.1 million needles and syringes were provided in 2005—that represents a doubling of the 2004 numbers. For the record, every second 15 DFID condoms are used somewhere in the world.

John Bercow (Buckingham) (Con): Further to the question asked by the hon. Member for Glasgow, North (Ann McKechin), and in welcoming the proposed doubling of aid to Burma, may I appeal to the Minister to acknowledge the imperative requirement to fund exiled groups, such as pro-democracy organisations, on the border, notably the Shan Women's Action Network and the Karen Women's Organisation, not to mention the Federation of Trade Unions-Burma? They have a critical role to play and they need our support.

Mr. Malik: To correct the perception that I may have created, I have nothing to do with the usage of the condoms.

The hon. Gentleman raises an important issue. We are considering the role of exiled groups with the new money that we have. DFID staff are already discussing with exiled groups the projects that may be compatible with the International Development Act 2002 and the normal financial management requirements. We are considering that with exiled groups, civil society organisations, community-based organisations and other NGOs. It is one of the IDC's recommendations and I know that it is dear to the hon. Gentleman's heart. We are seriously considering the matter and we will be scaling up on it.

Lynne Featherstone (Hornsey and Wood Green) (LD): No doubt the Minister will be aware of the recent Amnesty International and Saferworld report, which details the practice of arms with components that have been manufactured in the United Kingdom being re-exported to Burma through third countries, thus circumventing the EU arms embargo. Does he share my concern that that undermines DFID's work in Burma? Will he give a genuine commitment to lobbying the relevant Ministers to outlaw that practice?

Mr. Malik: If what the hon. Lady describes takes place, it is unacceptable. We are not aware of any major company that invests in Burma. We know that India is considering whether to continue its arms relationship with Burma. It might end it, and that would be welcomed by the House and have an impact on the matters that the hon. Lady raises.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): As I saw earlier this year, British taxpayers' money that is spent in Burma is extremely well spent, not least in the forgotten border camps, which desperately need more help and support. Why will the Minister not accept in full the proposal of the Select Committee and the Opposition to keep the Bangkok office open and sharply increase our support for the Burmese people?

Mr. Malik: I think I have made it clear that we are sharply increasing our support for the Burmese people. We will continue to do that. The impact of our programmes is there for all to see. Four thousand primary schools and up to 500,000 children benefited from basic supplies and text books last year, and 100,000 farmers now use low-cost water pumps, increasing their income by $190 a year—money that they can spend on food, clothing and medicines. I have already explained our position on the Bangkok office. We believe that our measures will be effective in tackling our mutual concerns about the suffering people in Burma, including the refugees in China, Thailand and elsewhere.

Mr. Mitchell: The Minister and the Government need to do better on this. He knows well that we are spending more than £100 million of taxpayers' money in several African countries and more than £35 million in China this year, which last month alone had a trade surplus of £12 billion. What skewed sense of priorities does it show that we are spending less than £9 million this year in Burma, at such a critical point in that country's development?

Mr. Malik: I think that, to the people who have been listening, that would have been a less than convincing position to take. I did not want to go this far back, but in 1992 just £50,000 was given to Burma. It is a disgrace that Opposition Members should lecture us about aid to Burma.

Zimbabwe

2. **Mr. David Amess** (Southend, West) (Con): If he will make a statement on the humanitarian situation in Zimbabwe. [171075]

5. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on the humanitarian situation in Zimbabwe. [171078]

The Secretary of State for International Development (Mr. Douglas Alexander): The humanitarian situation in Zimbabwe continues to deteriorate. We are playing a

major role with others in the international community in helping to try to protect the Zimbabwean people from some of the worst effects of President Mugabe's reckless mismanagement.

Mr. Amess: In spite of what the Secretary of State has just told the House, he is aware that the terrible humanitarian situation in Zimbabwe has forced thousands of people to flee to neighbouring countries. Will he tell us precisely what his Department is doing to help protect and support those people?

Mr. Alexander: The hon. Gentleman is right to acknowledge that there is now a regional dimension to the national crisis that Mugabe has inflicted on his own country. Not only do we see refugee camps being established and people being absorbed into neighbouring countries such as South Africa, but we have seen a draining of much of the best talent in Zimbabwean society, whether teachers, doctors or health workers, who could assist the development needs of that community. This is a matter that we continue to discuss not just with the partner organisations which we are providing with humanitarian assistance—£40 million this year—but with neighbouring countries, not least South Africa, including at the Commonwealth Heads of Government conference, where our Prime Minister had discussions with President Mbeki.

Mr. Mackay: The Secretary of State is surely right to say that the humanitarian situation in Zimbabwe is deteriorating, owing to the outrageous behaviour of the Mugabe regime, so will he condemn with me the fact that Zimbabwe will not be on the agenda of the EU-Africa summit in Lisbon this month? Does the Secretary of State agree that we will resolve the problems in Zimbabwe, particularly the humanitarian situation, only with the help of Zimbabwe's neighbours?

Mr. Alexander: I think that there is common accord between us in recognising the need for political reform; otherwise the need for humanitarian assistance will continue. The Government's position in relation to the African Union-EU summit in Lisbon has been made clear. Our Prime Minister has recognised that Mugabe's attendance will be a distraction from the vital work that the summit needs to take forward. One of the conditions of the travel visa that Mugabe has secured to attend the summit is that the issue of human rights will be discussed, which I hope is at least some consolation to the right hon. Gentleman.

The right hon. Gentleman is also right to recognise that there is a regional dimension. We continue to look to the Southern African Development Community process, to President Mbeki and to other members of SADC—I myself spoke with President Kikwete of Tanzania about the issue last week—to recognise that the regional players, alongside Zimbabwe, have a key role to play in ensuring the kind of political changes that I am sure all of us in the House wish to see.

Kate Hoey (Vauxhall) (Lab): The Secretary of State is aware that all the aid that we give—it is very welcome indeed—will tackle only the symptoms of what is happening in Zimbabwe. Does he share my frustration that the European Union has gone ahead with this weekend's conference, where Mugabe will be strutting the stage despite being responsible for all the suffering in Zimbabwe? Will my right hon. Friend also look at how we can get South Africa to adopt a much stronger position? Should we also not be looking at stopping aid to—

Mr. Speaker: Order.

Mr. Alexander: I agree with my hon. Friend to the extent that we all wish to see a summit taking place without the distraction of Mugabe's attendance. We have made that position clear. Technically, the invitation to Robert Mugabe was extended by the African Union, which is in charge of who attends the summit. In relation to South Africa, President Mbeki held cordial and constructive discussions with our Prime Minister in Kampala at the Commonwealth Heads of Government meeting. Our bilateral relations continue to be strong: I spoke last week to Trevor Manuel, the Finance Minister. I assure my hon. Friend that South Africa is very clear about the position being adopted by the British Government.

All that being said, I am keen to avoid offering from this Dispatch Box any comfort or opportunity for Mugabe to distort what I wish to see—a genuinely united international effort against the actions of his regime—and to caricature and characterise it as simply the concerns of the United Kingdom. It is vital that we continue to work with others to find a way forward.

Mr. Quentin Davies (Grantham and Stamford) (Lab): The Prime Minister is to be congratulated on declining to take part in any meeting with President Mugabe. As the Secretary of State acknowledges, South Africa is the key to this. What further arguments can be deployed to try to persuade the South African Government to take a more robust line on Zimbabwe?

Mr. Alexander: My hon. Friend is right to acknowledge the key role that South Africa has to play, although of course the whole of SADC has a responsibility. When I met President Kikwete in Tanzania last week, I took the opportunity to emphasise to him the importance of SADC setting out the democratic norms and standards expected of the election prior to its taking place. It would be a tragedy were the SADC process seen in retrospect as somehow having legitimised an election that was not deemed free and fair. We are therefore strongly urging South Africa, Tanzania and other members of the SADC process to be very clear in advance about the standards and norms expected of a free and fair election.

Sir Nicholas Winterton (Macclesfield) (Con): The Secretary of State will know that starvation and brutal oppression get worse day by day in Mr. Mugabe's Zimbabwe. Commonwealth Heads of Government meetings take place—they come and go—as do those with our European partners. When will the Government and the world take action to deal with the brutality and horrors in Zimbabwe, for which we are in part responsible?

Mr. Alexander: I recognise and commend the hon. Gentleman's long-standing interest in Zimbabwe and concern for the humanitarian crisis in that country. There is common accord between us in recognising the

scale of that crisis today. The economy has halved in size in less than 10 years. As he describes, 4 million people—a third of the population—are now reliant on food aid. I part company with him, however, in that I recognise we are taking urgent action on the humanitarian issue: we committed £40 million this year to the humanitarian effort. Through the good offices of the President of South Africa and other African leaders, along with our work in the European Union, we are one of the leading countries in urging international action against the Zimbabwean regime.

Mr. Bill Olner (Nuneaton) (Lab): Will my right hon. Friend assure me that the aid being given is getting to the people who deserve and need it, and is not being diverted by Mugabe to feed his troops who keep the ordinary people down?

Mr. Alexander: Obviously I share my hon. Friend's concerns, and that is why we ensure that aid is provided not to the Government of Zimbabwe but through humanitarian providers. As for the recent publicity on food aid, we have ensured that the problem does not apply to the processes put in place for the United Kingdom. *[Interruption.]*

Mr. Speaker: Order. May I appeal to the House to calm down and for fewer conversations to take place?

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Although it is highly regrettable that President Mugabe has chosen to attend the EU-AU summit, when combined with toughened US sanctions will it not provide an opportunity for the world to focus on a country that has the lowest life expectancy on the planet, and far too high a level of Government torture? Is it not high time that the EU followed the United States example, in order to provide the best prospects of the international community acting in concert, with neighbouring states, to provide a long-term, lasting solution to alleviate some of the worst suffering in the world?

Hon. Members: Hear, hear.

Mr. Alexander: I do not sense that there is disagreement across the House on that matter. Of course I welcome the recent steps taken by the American Administration. In many ways, Europe has led on this issue, but if further action can be taken at the European level, we should give urgent consideration to that task. I do not think, however, that this is the sole responsibility of either the European Union or the United States. That is why we have encouraged Ban Ki-moon, the UN Secretary-General, to look at the prospect of sending a UN special envoy to Zimbabwe; why we are keen for the Security Council to take a more active role in respect of the Zimbabwe situation; and why we continue to urge South Africa and its SADC partners to take a lead on this issue. Frankly, there are severe problems in Zimbabwe, as the hon. Gentleman rightly says, but there is a role for a whole range of multilateral bodies.

Mr. Lindsay Hoyle (Chorley) (Lab): I am sure my right hon. Friend is well aware that women and children living on the streets of Zimbabwe are being abused and raped and that there is no help or support going to people suffering from HIV. The time has come when only the Church is providing the last bastion of support for the Zimbabwean people, but the Church is now under threat from Mugabe's thugs. What can we do to support the people there?

Mr. Alexander: My hon. Friend identifies one of the many challenges afflicting that troubled land at the moment. One in five Zimbabweans now has HIV, and AIDS is killing more than 2,500 people a week in that country. That is why part of the money we provide is being channelled towards HIV treatment; we are providing HIV assistance to 30,000 people this year. At the same time as we are dealing with the symptoms of the problem, we also need to support international efforts to deal with its cause, which is the chronic misrule of Zimbabwe by Robert Mugabe and his team.

Nuclear Weapons

4. **Mr. David Heathcoat-Amory** (Wells) (Con): If he will reduce the level of aid given to developing countries which have nuclear weapons. [171077]

The Secretary of State for International Development (Mr. Douglas Alexander): Decisions on the allocation of UK development assistance are made with the primary objective of poverty reduction. Possession of nuclear weapons does not preclude countries from this process. However, we will consider reducing or interrupting aid if a country is in significant violation of either human rights or other international obligations.

Mr. Heathcoat-Amory: Will the Secretary of State confirm that our bilateral aid programme includes aid to India, Pakistan, Russia and China, all of which are nuclear weapons states. Two of those countries have not signed the nuclear non-proliferation treaty, so will he in future make British aid conditional on all countries living up to their nuclear non-proliferation obligations?

Mr. Alexander: DFID actually closed its bilateral development assistance programme in Russia in March 2007 and our bilateral programme with China is due to end in 2011. It is the case that sustained high levels of poverty are still afflicting India, which is the subject of our largest bilateral programme. Our determining factor is, of course, the level of poverty and what work can be done to address the challenge of alleviating it. That is why I do not anticipate making the changes that the right hon. Gentleman suggests in respect of either Pakistan or India.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Is the Secretary of State aware that when some of us visited India earlier this year, it was confirmed that 1,000 people a day die of tuberculosis? Some fine examples of DFID's help turned out to be very impressive, so can my right hon. Friend think of any reason why those poor hapless people should be doubly penalised because of the policies of their Government?

Mr. Alexander: As so often in such discussions of international development, I find myself in agreement with my right hon. Friend. Eighty per cent. of the

population of India today are living in conditions of poverty or of absolute poverty. That is why we are called on to act to show our support for the poverty reduction efforts of the Government of India. That is why we will continue to support the Indian people on their journey towards development, and why I would reject the apparent suggestion made by Conservative Members.

Mr. Gary Streeter (South-West Devon) (Con): But should not our aid policy, which is important in its own right, also be seen as a lever of our foreign diplomacy? When a Government take a course of action with which we strongly disagree—whether it be acquiring nuclear weapons or locking up innocent British citizens—should we not at the very least discuss with those countries the reduction of our aid budget so that the country's Government will change course? Is that not one way of using our aid budget effectively?

Mr. Alexander: I am not inclined to take lectures from the Conservative party on using international aid money effectively, given the experience of the Pergau dam and the tied aid that was provided, and the year-on-year cuts delivered to international development under the Government who were in power until 1997. Since 1997, we have untied the aid that was tied under the Conservative party; we have increased the aid that was cut under the Conservative party; and we have legislated in this House for the International Development Act 2002. If the hon. Gentleman is now suggesting that the policy of international development should simply be an instrument of British foreign policy, perhaps that is a matter that he would like to discuss with those on his own Front Bench.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [170980] **Mr. Brian Binley** (Northampton, South) (Con): If he will list his official engagements for Wednesday 5 December.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, let me say that I am sure the whole House will wish to join me in sending our profound condolences to the family and friends of the serviceman killed in Afghanistan yesterday. We owe him, and others who have lost their lives, a huge debt of gratitude.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Binley: I am sure that the whole House will want me to add my condolences, together with theirs, to those of the Prime Minister.

Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies. Does that sound familiar to the Prime Minister?

The Prime Minister: The Conservatives should know about trouble: we had 18 years of it under them. As for remedies, the hon. Gentleman gives me the chance to make an offer to the Conservative party. We have made proposals to legislate on political funding, along the lines of the Hayden Phillips report. They include a national and local limit on spending both at and between elections, a cap on donations, and transparency. I hope that the Opposition will return to the talks on those matters.

Q2. [170981] **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): I add my condolences to those of the Prime Minister.

People in my constituency whose lives have been touched by cancer are dismayed that the Scottish National party Administration look set to cancel a cancer centre at Ayr hospital. I welcome the announcement of a £500 million world-class medical research centre to work on cancer and fine-science projects with the Wellcome Trust and Cancer Research UK. Will the Prime Minister assure me that that will benefit every part of the United Kingdom?

The Prime Minister: There has been a 16 per cent. reduction in cancer as a result of the new investment since 1997. On Monday, the Secretary of State for Health was able to announce further investment in both prevention and cure for future years. Today I met representatives of the Medical Research Council, the Wellcome Trust, Cancer Research UK and University college London. We now agree that there will be perhaps a once-in-a-generation opportunity to create a leading medical research centre in London that will attract scientists from all over the world. Sir Paul Nurse, the Nobel prize winner, has agreed to lead this £500 million project, which holds the hope of curing some of the deadliest diseases of our time. I hope that there will be an all-party welcome for it.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to the soldier who was killed in Afghanistan yesterday.

The Prime Minister said in May that one of his first acts as Prime Minister would be to

"build the trust of the British people in our democracy".

For the past seven months, the Committee on Standards in Public Life has been without a new chairman. Can the Prime Minister tell us why it has taken so long to make that appointment?

The Prime Minister: The appointment of the new chairman is being announced today. *[Interruption.]*

Mr. Speaker: Order. Hon. Members should listen to what the Prime Minister has to say.

The Prime Minister: I should have thought that the right hon. Gentleman would be interested in the process as well as the personalities. I ask him again, as I asked the hon. Member for Northampton, South (Mr. Binley), whether he supports the changes that we are recommending in electoral law and political party funding, and whether he will support a national and local limit on expenditure.

Mr. Cameron: It has taken the Prime Minister seven months to make one of the most important appointments in politics. Sir Alistair Graham, the former chairman of the committee, said that the last fortnight had demonstrated a

"monumental incompetence and ignorance of the law which beggars belief".

Last week the Prime Minister set great store by the investigation established under Lord Whitty, which he described as urgent. Will he confirm that, this week, the inquiry has had to be partially suspended?

The Prime Minister: No, the inquiry is not suspended. Lord Whitty continues to bring together and collate information, but the interviewing of people will be at the discretion of the police, as I said in my letter to the Metropolitan police. What the right hon. Gentleman has now got to answer is this: if he wants changes in the political system, will he support our proposals? On Monday, he said:

"I don't believe a global spending limit"

on election expenditure

"is necessary."

But in March the shadow Leader of the House said:

"We accept"

the Hayden Phillips

"recommendations...we are happy to discuss spending caps on all year round non-election campaigning".—[*Official Report*, 15 March 2007; Vol. 458, c. 469.]

Which is the position of the Opposition?

Mr. Cameron: I have to say that the Prime Minister—[HON. MEMBERS: "Answer."]

Mr. Speaker: Order. Let the Leader of the Opposition speak. He does not need to answer anything; all he has to do is ask questions.

Mr. Cameron: If the Prime Minister wants a deal, he should include the unions, as we suggested two years ago. But he has just given the most extraordinary answer to the House, because I have a copy of the national executive committee minutes, which were written by Michael Cashman—this Government have to have a former soap star to chronicle their woes. Those minutes make it absolutely clear that parts of that inquiry were put on hold. The Prime Minister was telling the public on Saturday that he had acted swiftly, but was agreeing with the NEC that parts of the inquiry would be put on hold. So much for openness.

Let us have a look at another promise the Prime Minister made. He said he would always do the right thing by the armed forces. So can he tell us why, with our troops fighting on two fronts, he still has a part-time Secretary of State for Defence?

The Prime Minister: First of all, on the issue of election funding and party finance, it is clear that the right hon. Gentleman does not want to enter the debate on the levels of—*[Interruption.]*. We are happy to rejoin the discussions.

Secondly, on the Defence Secretary, let me just say that there have been many hard-working Defence Secretaries from both sides of the House in many years over the last decades. The Defence Secretary in post is a hard-working, conscientious and dedicated servant of the people, and I defy the Opposition to suggest there is any occasion on which he has failed to do his duty by the armed forces of this country. The Defence Secretary continues to do all the work of the Defence Secretary, and let me just say this: the proposal that the job be shared with another member of the Cabinet, the Scottish Secretary of State, was a proposal made in the 2001 manifesto of the Conservative party.

Mr. Cameron: The Prime Minister does not have to listen—*[Interruption.]*

Mr. Speaker: Order. I call the Leader of the—*[Interruption.]* Order. I call the Leader of the Opposition.

Mr. Cameron: The Prime Minister does not have to listen to Opposition MPs. Why does he not listen to Lord Gilbert, a former Labour defence spokesman and Labour Minister, who said:

"I think that it is a disgraceful appointment...It is an insult—not merely to those who are serving in Her Majesty's forces but also to their families"?

The Prime Minister wants to get out of the hole he has dug for himself; why does he not start today by appointing a full-time Secretary of State for Defence?

The Prime Minister: The Defence Secretary is hard-working, conscientious and is doing his duty, and I asked the right hon. Gentleman to bring forward evidence of where he was not. Let us just look at the question of defence spending, which has been raised by the Opposition. We are spending £1 billion more on defence every year. We are now the second largest country in the world for defence spending, whereas we were fifth in 1997. Let the Opposition answer this question, because the shadow—*[Interruption.]*

Mr. Speaker: Order. The Prime Minister is in order.

The Prime Minister: As far as defence spending is concerned, the shadow Chancellor said that

"lots of Conservatives...come up to me and say we've really got to...pay our armed forces more, we need more soldiers...and so on."

He said that

"those are all very good things but they do cost money and part of our discipline, part of the test of whether we are ready for government is whether we can resist those additional draws on public expenditure".

Far from wanting to spend more, it is likely that they would spend less.

Mr. Cameron: The Prime Minister wants evidence. Perhaps he will listen to the former Chief of the Defence Staff, Lord Boyce, who said:

"It is seen as an insult by our sailors, our soldiers and our airmen on the front line...and it is certainly a demonstration of the disinterest and, some might say, contempt that the Prime Minister and his Government have for our armed forces."—[*Official Report, House of Lords*, 22 November 2007; Vol. 696, c. 952.]

The Prime Minister has broken his promise on trust; he has broken his promise on defence.

Today, the Prime Minister is finally announcing the prison-building programme that we have requested for

so long yet, since he has been Prime Minister, 11,000 prisoners—criminals—have been released early—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Wirral, West (Stephen Hesford) must behave. He is behaving in a strange way just now.

Mr. Cameron: Labour Members do not like it when they can see their Government falling apart in front of their eyes. The report that the Prime Minister is publishing today says that jail sentences should be cut because there are not enough prison places. Surely the Prime Minister agrees that sentences should fit the crime, not the number of prison places.

The Prime Minister: Of course sentences should fit the crime and, of course, judges and magistrates will be the people who deliver sentences. I hope that there is no disagreement between us on that. As far as the right hon. Gentleman's point about early release is concerned, let me just tell him that early release was decided by the Conservative Government in 1984, 1987, 1991 and 1996, and that tens of thousands of prisoners were released under those schemes. He should wait for the Justice Secretary's announcement, but I assure him, on his spokesman's proposal of 1,200 prison places, that we accept that that is not enough. There will be more than 1,200 prison places. The difference is that we will pay for them out of the prudent running of the economy. We will not pay for them out of a cancellation of identity cards—the Conservatives have already allocated that money for three different projects over the past few months.

Mr. Cameron: People worried about crime on our streets will find that answer frankly pathetic. Everybody knows that the reason we do not have enough prison places is that the Prime Minister failed to build them. I know that he wants us to think that, like the man in the canoe, he has not been around for the past five years, but he was the Chancellor of the Exchequer who failed to build the prisons. He promised public safety, but he has let thousands of criminals out of jail. He promised to protect defence, but he has given us a part-time Secretary of State. He promised integrity, yet his own Government are being investigated by the police. It took Tony Blair 10 years before confidence in his Administration collapsed. Has not this Prime Minister managed it in six months?

The Prime Minister: Crime is down by 30 per cent. under this Government. Burglary is down by 55 per cent., violent crime is down by 31 per cent., and there are 4.5 million fewer victims of crime as a result of the changes. We have more police than ever before. We have built 20,000 prison places, and we are about to announce that we are building more. We can do it because we run a successful economy; it is not the failed economy that we inherited from the Conservatives.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): The chief executive of Yorkshire Forward recently informed me that Barnsley's economy has recovered to the levels that it enjoyed prior to the previous Government's massive pit closure programme in the early 1990s. That is mainly thanks to this Labour Government and a progressive local Labour council. Does my right hon. Friend agree that the people of Barnsley may have been brassed off with the Tories in the 1990s, but they will never be brassed off with this Labour Government and this Prime Minister?

The Prime Minister: What Yorkshire Forward has done and what local councils have done to rebuild employment in the areas that were devastated by the loss of mining jobs is something that we should all congratulate them on. That is one of the reasons why there are nearly 3 million more jobs in this economy, and why unemployment is down by 1 million. I must say to the House that if we were to take the advice of the Opposition and abolish the new deal, we would have higher unemployment. We will have lower unemployment under a Labour Government.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences on the loss of the soldiers in Afghanistan?

Now that the taxpayers' loan to Northern Rock has almost reached the level of the annual defence budget and is increasing every week by £3 billion—the equivalent of 15 hospitals—what guarantees has the Prime Minister received that this money will be fully repaid, beyond the vague assurances offered by Mr. Branson and the assorted collection of hedge-fund sharks who are behind him and others?

The Prime Minister: The hon. Gentleman should make up his mind whether he wants Northern Rock to be rescued or not. The important thing, for the stability of the economy, the security of mortgage holders and the company's shareholders, is that it be rescued. We have taken the necessary action. At one stage, there was all-party support for that. I believe that we have done the right thing, and any settlement with any potential buyer will insist that the public funds are properly protected.

Dr. Cable: There is a sensible way to rescue the bank. Why is the Prime Minister so dogmatically opposed to the common-sense solution of public ownership on a temporary basis, which would protect the public loan, the north-east and the depositors? Is it that he regards the advocates of that policy, which now include the *Financial Times*, *The Economist* and, apparently, his own civil servants, as too left wing, or is he petrified by indecision?

The Prime Minister: I am beginning to think that the hon. Gentleman is better at the jokes than at economics. When he talks about Northern Rock and public ownership as a temporary solution, he means that we should try to find a private buyer. That is exactly what we are going to do. All options are on the table, but we are trying to find a private buyer.

Q3. [170982] **Mr. Jim McGovern** (Dundee, West) (Lab): My right hon. Friend will be aware that Tesco, one of the UK's most successful companies, generated a profit of some £2.5 billion last year and regularly trumpets its commitment to fair trade. Meanwhile, Tesco workers at a call centre in my constituency are reduced to taking blankets and hot water bottles into work because of the

low temperatures. Tesco responded by issuing a memo to all employees, suggesting that they wash their hands regularly and, bizarrely, sing "Happy Birthday" at the same time. Does my right hon. Friend agree that such a response is entirely inappropriate in this day and age, that Tesco should include fair treatment of workers in its commitment to fair trade, and that Tesco's finest are its work force?

The Prime Minister: Tesco has a reputation for being a good employer. It has a union, the Union of Shop, Distributive and Allied Workers, that represents its workers, and I am sure that those matters will be taken up with it. In addition, we are working with Tesco and many other retailers to create more jobs for local people. Of course, those must be jobs with the best conditions possible.

Q4. [170983] **Mr. Peter Bone** (Wellingborough) (Con): The national health service saved the Prime Minister's sight, but under his Government thousands of people with wet-eye age-related macular degeneration are going blind unnecessarily. There is a simple and effective sight-saving treatment that is not available on the NHS. Patients are told that they have to pay for private treatment or go blind. Is that morally right?

The Prime Minister: I understand the point that the hon. Gentleman makes. As he will know, tremendous advances have been made in ophthalmic surgery and treatment in recent years. This is essentially a matter for the National Institute for Health and Clinical Excellence to make recommendations, and I will ensure that this matter is before it.

Hilary Armstrong (North-West Durham) (Lab): I know that my right hon. Friend has seen, and values, the work of volunteers in many poor countries, who make such a contribution to our international development commitment. Today is international volunteers day and I hope that the Prime Minister will re-emphasise the commitment of the Government to supporting volunteers who play such an important part in bringing hope to impoverished communities.

The Prime Minister: I know that my right hon. Friend was herself a Voluntary Service Overseas volunteer in her youth and did a tremendous amount of work in Africa. I know that thousands of people have benefited from serving overseas, and thousands of people have had the benefit of that service. When I was in Uganda for the Commonwealth conference, I met some of the volunteers who are giving their time to help to rebuild schools and the economy in that area. I understand that VSO is 50 years old next year and many more young people want that opportunity in their gap year. I hope that it will be possible for many more people to link up with projects abroad, especially people from poorer areas.

Q6. [170985] **Andrew George** (St. Ives) (LD): Further to our exchange last week, when we have a local market that appears to reward those who are fortunate enough to be able to buy more properties than they need but operates as if hard-working local families have no right to live in the area, does the Prime Minister agree that we now need to explore policy solutions to give people in need a real chance? Would he be prepared to meet me and a delegation from my constituency to continue that conversation?

The Prime Minister: Of course I am happy to meet a delegation to talk about housing, but the hon. Gentleman also asks about taxation and related capital gains. He should know that capital gains tax on a first dwelling is zero per cent. and that, whatever changes have been made to CGT for a second dwelling, the rate is still a great deal higher than that.

In respect of additional housing in the hon. Gentleman's constituency, I have looked at what is happening in his local authority area. There are 382 houses under construction there at the moment, and the annual dwelling requirement is said to be 230 so, in his area at least, house building is moving. I hope that it can move forward in other areas as well.

Q7. [170986] **Mr. Russell Brown** (Dumfries and Galloway) (Lab): This week's conference in Bali is regarded as the world's last chance to avoid catastrophic global warming. Given that the world's most industrialised nations are responsible for increased greenhouse gas emissions, what positive messages does the Prime Minister hope to hear from Bali?

The Prime Minister: The Secretary of State for the Environment, Food and Rural Affairs has been in Bali, working with others to try to get the first stages of an agreement. I believe that there is general good will for a binding agreement that will include all countries, including America in future years. I hope that we can make progress over the next few months. We, the European Union, have put forward proposals for a 20 or 30 per cent. cut by 2020, and there are discussions about a far higher cut in 2050. We are prepared to make the steps forward, and I hope that other continents will join us as a result of the Bali talks.

Q8. [170987] **Mr. Philip Dunne** (Ludlow) (Con): Having fixed school spending per pupil for the next three years to favour Labour areas—*[Interruption.]* Yes, and having forced school closures in Shropshire and other rural counties, is not this scandal what the Prime Minister really means when he talks about education for the many, not the few?

The Prime Minister: I have to tell the hon. Gentleman that education spending per pupil was falling under the Conservative Government. It has doubled under this Government, and will continue to rise. What will do most damage to his constituency are the proposals made by those on his Front Bench to transfer money out of the school-building and repair programme. The result would be 240 schools cancelled, or one in seven of the new secondary schools to be built. I hope that he will urge his colleagues to think again about that proposal.

Lyn Brown (West Ham) (Lab): In Newham, we have 30,000 people on the housing waiting list, and 5,000 in temporary accommodation. Will my right hon. Friend agree to meet me to discuss how we can ensure that the build in Thames Gateway and Stratford city is appropriate to the needs of those families, and that it is of the right size?

The Prime Minister: The Thames Gateway is now the biggest regeneration project in Europe. It will create thousands of homes and jobs, and mean the redevelopment of an area of London that was neglected previously. I agree with my hon. Friend that in that development we need not just houses but affordable housing. That is why, in our discussions with those involved with the project, we are insisting on a very high level of affordable housing, either shared equity or housing for social rent.

Q9. [170988] **Mr. Greg Hands** (Hammersmith and Fulham) (Con): With three different police investigations under way, two members of his Cabinet and his protégé in Scotland falling foul of the law and his party general secretary facing charges, is this what the Prime Minister meant when he called himself a conviction politician?

The Prime Minister: If the Conservative party wants to play its part in sorting out politics for the future, it should adopt our proposals for national and local limits on expenditure and for greater transparency in how things are done.

Mr. David Kidney (Stafford) (Lab): Is the Prime Minister as pleased as I am to see today's announcement about a comprehensive plan for stroke services? Having visited a rehabilitation class in Stafford that was led by the Stroke Association, may I urge him to make sure that our health and social care services fully involve the Stroke Association, patients and—crucially—their carers?

The Prime Minister: My hon. Friend may have seen a report this morning showing that voluntary organisations, as well as the private sector, are more involved than ever in the provision of public services. One of the advantages of involving the Stroke Association and others is that they can make known their views about how services should be shaped for the future. This week, we launched a cancer strategy and a stroke strategy. We have launched a new medical research centre that will be the leading research centre in Europe. The health service is moving forward to the 21st century with a Labour Government; it should not be damaged by the Conservative party.

Q10. [170989] **Patrick Mercer** (Newark) (Con): In June, my friend, Captain Sean Dolan, was killed by a mortar round from the Taliban. Six months later, there is no sign of a coroner's inquest into his death. Will the Prime Minister put his personal energy behind the issue, so that my friend's widow and the widows of the dead in all these campaigns can seek closure for their mourning?

The Prime Minister: I have a tremendous amount of respect for what the hon. Gentleman says on that matter. The coroner's inquest should be moved forward and we have put more money into making that possible, and made some changes so that it can happen. In the case of the tragic death to which the hon. Gentleman refers, and about which he talked to me at one stage, I think there is a board of inquiry at the moment, which would precede the inquest. However, I can tell him that more resources will be made available for coroners' inquests.

Mr. Andrew Dismore (Hendon) (Lab): Last night was the first night of Hanukkah. Will my right hon. Friend take this opportunity to pass on his best wishes to the Jewish community and acknowledge its great contribution to our society and life?

The Prime Minister: I agree entirely. When I addressed the Board of Deputies of British Jews, I told them that their community plays an enormous part in our life, not only through all the voluntary organisations in the Jewish community, which do a huge amount of work, but also through the contribution that is made right across our national life by organisations that represent the Jewish community. I pay tribute to what they have done over the centuries in our country.

Q11. [170990] **Mrs. Nadine Dorries** (Mid Bedfordshire) (Con): A young girl, Monica, lives in my constituency in abject poverty. Her English father has died and her Kenyan mother is not allowed to work and is not entitled to benefits. She is fed by a small fund at the local school, but it has now run out. She is transported to school by members of the local Church, who also provide her with clothes. She is living in complete poverty. Will the Prime Minister meet my constituent to discuss the case, or intervene to sort the issue out?

The Prime Minister: The hon. Lady gives me details of a situation about which I had not been informed before this morning. I shall look at it carefully and, if necessary, meet her to talk about the issues. It is an unfortunate situation if someone is deprived of any income and that should not be happening.

Q12. [170991] **Martin Linton** (Battersea) (Lab): Will the Prime Minister make it a priority to visit schools that have made the biggest contribution to raising standards, such as Battersea technology college, where the GCSE score rose from 5 per cent. in 1997 to 60 per cent. this year? Although most of the credit belongs to the head, staff, governors and pupils, which does my right hon. Friend think more likely to lead to an improvement of that magnitude—the £22.5 billion increase in education spending that has taken place since 1997 or a £21 billion cut in public spending plans such as that proposed by the Conservative tax reform commission?

The Prime Minister: I congratulate Battersea college —the staff, pupils and all associated with it, including the parents and governors. It is a spectacular achievement to move from such a low level to the national average of 60 per cent. of 15-year-olds gaining GCSE at A to C. We will continue to make improvements, which is why in the last few months we have announced more money for science, more money for maths and more money for literacy. That is why we are trying to improve the curriculum in all those areas and it is also why we are introducing personal tuition for pupils who have fallen behind. But I agree with my hon. Friend that it would not be possible if, instead of affordable tax cuts and public investment rising, we had unaffordable tax cuts that would mean public investment falling, under the Conservatives.

Q13. [170992] **David Simpson** (Upper Bann) (DUP): Does the Prime Minister agree that following recent attempts on the lives of police officers by paramilitary organisations in the Province, there would be no public confidence in any early move to devolve policing and justice powers? Will he assure the House that there will be no attempt, either through the House or by back-door means, to push through such legislation on the Province?

The Prime Minister: First, on the serious incidents that the hon. Gentleman talks about, and the injuries and anguish for the police officers and the families concerned, I sympathise with them and I have talked to Ministers in the Northern Ireland Administration about them. The Secretary of State for Northern Ireland has been looking at what has happened. We have to assure ourselves that everything is being done both to arrest the people responsible and to prevent any return to violence. On the issue of policing and security, this is a matter for continuing discussion between the Government and the Northern Ireland Administration, and I think that that is the proper way of moving this forward.

Mr. Gordon Marsden (Blackpool, South) (Lab): Does the Prime Minister agree that the major announcements made by the Secretary of State for Innovation, Universities and Skills on apprenticeships, and particularly adult apprenticeships, will be very welcome to my constituents in Blackpool, and particularly to women returning to work after 15 or 20 years? Does the Prime Minister believe, like me, that that marks a huge contrast with what the Conservative party did in its last five years in government, when it put money into neither apprenticeships nor further education?

The Prime Minister: The apprenticeship was dying under the Conservatives. There are now 250,000 young people in apprenticeships and that number is going to double to 500,000 over the next decade. People must face up to this big challenge for our future: either we can educate young people to the age of 18—in work, whether part-time or full-time, in training or in education—or we will fall behind our competitors. I am sorry that the Conservative party thinks that education to 18 is a stunt. It is the right way forward for the British people.

Prisons (Carter Review)

12.31 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, I should like to make a statement on the report of the prisons review carried out by my noble Friend Lord Carter of Coles. Copies of his report are available in the Vote Office and on my Department's website. Lord Carter was asked in early June of this year to undertake his inquiry. He was asked jointly by my right hon. Friend the Prime Minister, as Chancellor, and my predecessor as Lord Chancellor, my right hon. and noble Friend Lord Falconer. I am extremely grateful to Lord Carter, and his team, for all their time, expertise and professionalism.

Lord Carter's report proposes a large increase in prison building. It says that there is an urgent need for an improved long-term mechanism for better balancing supply and demand for prison places. It puts forward far-reaching proposals for a judiciary-led sentencing commission, and for efficiency and organisational changes

Let me first give the context of the review. For more than half a century, from the end of the war, crime rose inexorably. As each successive Government left office, crime was higher than when they came in—significantly higher, in the case of the 1979 to 1997 Administration. In sharp contrast, we are the first Government since the war under whom crime has not risen, but fallen—and fallen by a third. Violent crime is down, burglary and vehicle crime are down, and the chance of being a victim of crime is lower than at any time since 1981.

Those improvements are due to many factors: the police, local communities, local authorities, industry, stronger powers to deal with disorder, substantial youth justice reform, and greatly increased investment in law enforcement, with 14,000 more police officers, bringing numbers to record levels. In turn, those improvements have led to many more serious, persistent and violent offenders being brought to justice, and being sentenced for longer.

The result has been a very rapid growth in the prison population, which is up by one third since 1997—from 60,000 to 81,500, last Friday's figure. During the same period reoffending rates have improved, while the physical condition of prison has been transformed, as has security. I pay particular tribute to prison officers, probation officers and staff at all levels. They do a difficult job in difficult circumstances.

The whole House is agreed that, wherever appropriate, offenders should be punished in the community. Overall, investment in probation services has gone up by 72 per cent. in real terms over the last 10 years. We shall test intensive alternatives to custody, and provide sentences with more rigorous non-custodial regimes.

Of course, the House and the country are clear that prison has to be used for violent, serious persistent and dangerous offenders. With so many factors in play, forecasting future trends in the prison population has always been complex and uncertain. Predictions made over the previous seven years have put the prison population for this summer both at 20,000 above, and 12,000 below, its actual level of 80,600. However, there is no doubt that the prison population will continue to rise in the next few years, given the increasing effectiveness of the system in bringing more offenders to justice. To meet previously anticipated demand, a programme of 9,500 extra places is already under way. An extra 1,600 new places have come on stream in 2007, and a further 2,300 will do so next year.

In light of Lord Carter's recommendations, I can now announce that to secure the long-term availability of prison places, I have agreed with the Prime Minister and the Chancellor of the Exchequer additional funding of £1.2 billion, on top of the £1.5 billion already committed, to deliver a further and extended building programme that will bring an additional 10,500 places on stream by 2014. We will act on Lord Carter's recommendation to build up to three large titan prisons, housing around 2,500 prisoners each. That extra capacity will help us to modernise the prison estate, close some of the older, inefficient prisons on a new-for-old basis, and reconfigure some of the smaller sites to accommodate female or juvenile offenders.

The building programme is aimed to bring overall net capacity to just over 96,000 places by 2014. To provide additional capacity within that total in the short to medium term, we intend to convert a former Ministry of Defence site at Coltishall in Norfolk into a category C prison, provide further places through expansion on existing prison sites, convert Her Majesty's prison Wealstun, near Leeds, into a closed prison, and bring forward projects from the building reserve list. In addition, my Department is actively looking at securing a prison ship.

As for women in prison, the prisons Minister—the Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson)—will tomorrow publish the Government's detailed response to my noble Friend Baroness Corston's report. Today I asked my noble Friend Lord Bradley to carry out a review, reporting jointly to the Department of Health and my Department, on diverting more offenders with severe mental health problems away from prison and into more appropriate facilities. Lord Carter has made important recommendations about the operation of the National Offender Management Service and the Prison Service, to improve the focus on service delivery and offender management. We will streamline corporate service costs in headquarters and regional offices in NOMS and the Prison Service, and we will establish a programme of performance testing.

Contrary to myth, there have been fewer criminal justice Bills in the last 10 years than in the preceding decade. *[Interruption.]* Well, I shall be happy to give the figures in due course. In the criminal justice field, it is inevitable that measures have to be kept under constant review. Indeterminate sentences of imprisonment for public protection—IPPs—introduced in the Criminal Justice Act 2003, have proved an effective way of dealing with the most serious and dangerous offenders. However, as my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), the then Home Secretary, has confirmed to me, those sentences were never intended to target those who would have received tariffs of less than two years. Notwithstanding that, the drafting of the legislation has meant that they have been used for very short tariffs—in one case, for a tariff as short as 28 days. As recommended by Lord Carter and by the chairman of the Parole Board, Sir Duncan Nichol, we will introduce amendments to the Criminal Justice and

[Mr. Jack Straw]

Immigration Bill to establish a minimum tariff of two years, below which IPPs and extended sentences cannot be given.

I want to make a particular point about sentences for rape. It is very rare indeed for rape offences to receive less than a two-year tariff, which is well below the recommended guideline. Any sentence for a serious offence that is effectively below a two-year tariff will be open to appeal by the Attorney-General on grounds of undue leniency. All that will ensure that IPPs are focused on the most serious and dangerous offenders.

In addition, we are accepting Lord Carter's other recommendations to align release mechanisms for offenders sentenced under the Criminal Justice Act 1991 with those sentenced under the 2003 Act. Offenders sentenced for non-sexual, non-violent offences committed since 2005 are now eligible for release at the halfway point of their sentence and remain on licence to the end of that sentence, rather than being eligible for parole at the halfway point, automatic release at two thirds, and being on licence until three quarters only. We propose to introduce a similar regime for prisoners sentenced for non-sexual, non-violent offences under previous legislation.

Decisions about the sentence to be handed down in a particular case must be a matter of judgment for the trial judge or magistrates. Respecting the independence of sentencers to pass the sentence that they believe is appropriate in the individual case is fundamental to the integrity of the judiciary in a free society. But Parliament has a critical role to play in setting the framework for sentencing and in deciding on the level of taxpayers' money to pay for the prison places and probation services that arise from that sentencing framework.

Over the past decade much progress has been made to develop a more coherent and transparent sentencing framework, with the Sentencing Advisory Panel in 1999, and the Sentencing Guidelines Council in 2004. But Lord Carter now highlights the need for a mechanism—a sentencing commission—that will allow for the drivers behind the prison population to be addressed and managed in a transparent, consistent and predictable manner through the provision of an indicative set of sentencing ranges.

Such a commission would have an ongoing role in monitoring the prison population and reporting on the impacts on the prison population and penal resources of all national policy proposals and system changes. I wish to emphasise that the proposal has nothing to do with linking individual sentences to the availability of correctional resources. The debate relates to the linking of resources to the overall sentencing framework. I am pleased to accept Lord Carter's recommendation to establish a working group to consider the advantages, disadvantages and feasibility of such a sentencing commission, which in our judgment will lead and inform the public debate on these issues.

Prison is, and will remain, the right place for the most serious offenders. Custodial sentences, and therefore prison places, must also be available for less serious offenders when other measures have failed or are inappropriate. And we must have in place a rigorous and effective framework of community penalties where they are the right course.

The measures that I have announced today will fulfil our aims in this important area. They will bring many more prison places on stream with agreed funding and a delivery programme. They will allow for a rational debate on sentencing that recognises that, as with any other public service, resources are finite. Above all, they will fulfil our commitment to provide a modernised prisons system that protects the public from the most serious offenders. I commend this statement to the House.

Nick Herbert (Arundel and South Downs) (Con): I thank the Secretary of State for sight of the report and his statement, just over an hour ago. All of us agree that the situation in our overcrowded prisons cannot continue. In calling for urgent action, is not the latest Carter report a devastating indictment of the Government's failure to manage the prisons system? We have consistently called for an expansion of prison capacity to meet demand, so the Government's announcement of additional prison places is welcome, but long overdue. Can the Secretary of State confirm that the additional 10,500 places that he announced today are in addition to the 9,500 places already promised?

At present 17,000 prisoners are doubling up in cells—twice as many as when the Government came to power. Will the Government's proposals reduce that overcrowding, and will the Secretary of State reject Carter's recommendation that there is scope for increasing levels of overcrowding? The Secretary of State says that he is actively looking at securing a prison ship. Why did the Government sell off their prison ship at a loss, if a new one is to be purchased?

We have called for more appropriate security provision for prisoners with severe mental illness, so we welcome a review in this area. Should not serious drugs offenders also be treated in separate secure units? In two previous reports Lord Carter proposed replacing unsuitable prisons. That is long overdue. Can the Secretary of State say how many of those prisons will be closed? Is he sure that Lord Carter's recommendation to build large titan prisons is right? Would it not be better to build smaller, local prisons where offenders could be closer to their families to aid rehabilitation? Is it not clear that although there will be some increase in capacity, the Government are choosing to release more prisoners early and water down sentences to moderate demand?

We Conservatives believe that sentences should fit the crime, not jail capacity. Will not any proposal to fetter the discretion of judges and magistrates to hand down sentences as they see fit cause the gravest concern? The Government already propose to remove magistrates' right to suspend sentences; now they want to link sentences to the resources available. The Secretary of State claimed that that had nothing to do with linking individual sentences to resources, but is it not the case that sentences as a whole could be shortened if Ministers failed to provide enough capacity?

The Secretary of State proposes greater use of community sentences as an alternative to prison, but prison is already largely reserved for serious, violent and persistent offenders. Is it not the case that 70 per cent. of prisoners released have 10 previous convictions? Prison is already the last resort, when community sentences have failed. Some 40 per cent. of unpaid work requirements for

male offenders are not even completed. How can the public have confidence in community penalties as an alternative to prison when the sanctions are so weak and unenforced?

For the past five years, the Government have paraded as a badge of honour their indeterminate sentences for public protection. Why, then, do they now propose to limit those sentences for criminals who, by definition, pose a significant risk of causing death or serious injury by reoffending? The Secretary of State proposes a minimum tariff of two years for indeterminate and extended sentences. Can he confirm that in the first year of operation, 26 indeterminate sentences for public protection with a tariff of less than two years were given for sexual offences against children?

The Secretary of State's statement said almost nothing about improving the rehabilitation of offenders. What do the Government plan to do about the fact that prisoners still spend fewer than four hours a day engaged in purposeful activity? Any Government's first duty is to protect the public. How can the Government claim to have done so, given that they have released 11,000 offenders early on to our streets in just four months? The Carter report assumes that the end-of-custody licence will continue indefinitely. Will the Secretary of State now confirm that that measure is to become permanent?

The Prime Minister took office promising to punish offenders, but is it not the case that we now have overdue additional places for prison, but no serious action to reform our jails? We have weak community penalties for offenders who should be sent to prison and early release for criminals who should have served their sentences. Far from honouring their promise to punish offenders, the Government's agenda is to give thousands of criminals a break.

Mr. Straw: That was nonsense from beginning to end. I note that the hon. Gentleman did not dispute the fact that crime had risen inexorably for 50 years under one Government after another. Recorded crime doubled under the previous Conservative Administration. The Labour Government have been the first since the war under whom crime has gone down—and it has gone down by one third. One of the reasons for that has been provided by the hon. and learned Member for Harborough (Mr. Garnier), the shadow prisons Minister, who said just last week:

"The Government's policy on sentencing is to send more people to prison for longer...That is why more people have ended up in prison."—[*Official Report*, 28 November 2007; Vol. 468, c. 375.]

That happens to be the truth, but it is totally inconsistent with what the hon. Member for Arundel and South Downs (Nick Herbert) has said, which is that we are somehow letting more prisoners out.

I am sorry to shoot the hon. Gentleman's fox so comprehensively, but last week, anticipating the review, he said:

"So that is what it is all about—no money for prisons"—[*Official Report*, 28 November 2007; Vol. 468, c. 361.]

I have just announced £1.2 billion extra for prisons, on top of the £1.5 billion already announced. *[Interruption.]* I will come to the detailed points in a moment. The hon. Gentleman has repeatedly said that he accepts that resources are finite; if we are talking about a journey, that at least is a start—although his arm may have been twisted by the shadow Chancellor.

The hon. Member for Arundel and South Downs recently told the media:

"The Lord Chief Justice is quite right to say that when the sentencing framework is set, the impact on the prison population must be properly taken into account".

I agree. I cannot for the life of me understand why he has come up with his synthetic criticism of a sensible proposal for a sentencing commission that will do exactly that.

Let me deal with the hon. Gentleman's specific questions. He asked whether the additional 10,500 prison places would be on top of the 9,500 that are already on the way. The answer is yes. That will provide a gross increase of 20,000 additional places. Our aim is that part of that increase should be taken up by closing some older, inefficient prisons so that the net figure is 15,000—provided, of course, that the prison population reaches the median target, which is 96,000, not the high target of 101,000. Those decisions will have to be made in due course, but that is the current position, as I spelled out in my statement.

The hon. Gentleman referred to 17,000 prisoners doubling up. Doubling up in cells intended for one person is not something that we wish to happen, but under this Government it has not, at any level, ever reached the 47 per cent. of prisoners who were doubled up in the 1980s—and that was with insanitary chamber pots, not internal sanitation. He should pay attention to what his right hon. Friend the Leader of the Opposition has said about prison policy—that we have to look, if need be, at doubling up in some prisons. That is just a little bit behind the times.

HMP Weir was indeed sold off. It was intended to serve for three years but was used for eight years, and was not at the time regarded as fit for purpose.

The hon. Gentleman made a serious point about mental health provision in asking whether that should also be available for serious drug offenders. Yes, of course it should. Many, if not most of the mental health patients in prison—this is, in a sense, a semantic point—are also serious drug offenders, so we are in effect talking about the same population. Some drug offenders, particularly egregious drug dealers, do not have mental health problems; they are just straightforward serious criminals who, in my judgment, should stay in prison for a very long time.

As for how many prisons will be closed, the proposal is that some provision will be closed on a new-for-old basis. However, I cannot give the hon. Gentleman a list, and I have no intention of compiling a list until we are clear about the development of the programme and capacity.

The hon. Gentleman mentioned having smaller local prisons rather than titans. There is a debate to be had about that, and I am not saying that there is a perfect answer. Our judgment, based on Lord Carter's recommendations, is that a small number of large prisons sited in London and the south-east, where there is an urgent need for prison accommodation, will meet the needs of efficiency, better management of offenders, and reasonable closeness to their homes. However, we are happy to have that debate in due course.

[Mr. Straw]

The hon. Gentleman made some less serious points about community penalties. We have increased the use of community penalties, and their effectiveness has increased too. That is one of the reasons for the increase in the prison population, as is brought out in Lord Carter's report. There has been a dramatic increase in the number of probation offenders who have breached their sentence and are therefore taken back to court, and often sentenced to prison.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I commend Lord Carter for his second report on this matter, and my right hon. Friend for his response. Given the substantial additional resources, will the budget of the Youth Justice Board also be protected? Will innovative schemes to keep young people out of prison but in secure and structured frameworks be put forward in the consultation, particularly in light of the suggested sentencing commission? The commission might then be able to deal with the situation alluded to by my right hon. Friend relating to indeterminate sentences—that what the House thinks that it is doing does not always come to fruition when the Sentencing Guidelines Council or the courts take a different view of how it can be applied.

Mr. Straw: I am grateful to my right hon. Friend for his support, and for all the work that he did in developing a more coherent framework in this field. The sentencing commission builds on the excellent work that he did, if I may say so, in setting up the Sentencing Guidelines Council. This money is new money; it will not touch the Youth Justice Board budget. I agree with him about sentences of imprisonment for public protection. The framework was set out and, as I understand it, Members on both sides of the House agreed its purpose, which is that such sentences were for much more serious offenders who would typically get a tariff of two years or much longer. However, it has not quite worked out like that. It is entirely appropriate that we should accept that the system has not operated as intended, and amend it.

Mr. David Heath (Somerton and Frome) (LD): I thank the Lord Chancellor for early sight of the statement, and I echo his tribute to prison officers and probation officers. I also thank Lord Carter, that most prolific of reviewers, for a thorough report.

I welcome the recommendations on improved efficiency in the service, on stronger alternatives to custody, and on modernisation of the prison estate. However, in the latter case, why cannot the Lord Chancellor put forward, after, presumably, due consideration over some years, concrete proposals to dispose of antiquated prisons—I almost said Victorian prisons, but we now know that some of them date back to 1500—which would enable those prisons to release capital that could then be reinvested? Do not the plans for emergency places smack more of desperation and panic than proper forward planning?

The Lord Chancellor announced yet another review, under Lord Bradley, on diverting those with mental illness from prison. That is welcome. However, why is there no commitment in his proposals to build more secure mental health provision, as well as drug centres, within the estate, to ensure that those who should not be in prison are not held in standard prisons but in alternative accommodation?

I note that Lord Carter agrees with the recommendations of the Corston review on women prisoners, but there appears to be no incorporation of those recommendations into his recommendations. Is not that an omission, and will the Lord Chancellor rectify it in the statement that he is to make in response to the Corston review?

Does the Lord Chancellor agree that, as is demonstrably the case, short-term sentences are almost completely ineffective in reducing reoffending? Would it not be sensible instead to impose more tougher community sentences, which are proven to be more effective?

As I think that the Lord Chancellor has said, no judge should be constrained by lack of capacity from imposing custodial sentences that are necessary to protect the public. Will he extend that principle to rehabilitative sentences such as drug treatment or probation?

Lastly, does the Lord Chancellor agree that the test of any penal policy is what works in protecting the public and reducing reoffending, and that the current system fails both those tests?

Mr. Straw: I agree that one test of sentencing policy is what works. I also agree that short-term sentences have often proved not very effective in terms of reducing reoffending. Offenders who get those shorter sentences are often those who have been convicted of what would be regarded as medium or lower-level offences but are persistent offenders, and the courts simply run out of patience with them. As I have often said, prison is often the sentence of last resort. We should do everything we can with such offenders, but it is for the courts to decide for how long they should go to prison. If it is just so that they can be locked up, at least that is a respite for their communities. That is the dilemma that we face.

I am glad that the hon. Gentleman welcomes the proposals. Let me run through his other points. In respect of closing some of the less efficient prisons, it should not be assumed that antiquity is of itself grounds for closure. Otherwise, a large number of Oxford and Cambridge colleges would be closed, as would many schools, which gave some of us a half-decent education, and even this place. The issue with buildings is whether they are efficient and providing a decent service. Some 1960s buildings should come down a lot sooner than some of those of greater antiquity.

On mental health, I am not personally in favour of putting within prison estates secure mental health provision where prisoners have been sectioned, because it will lead to a problem with the regime. I am happy, however, to pass on the hon. Gentleman's support, along with mine, to my right hon. Friend the Secretary of State for Health in saying that we need more money for secure mental health provision outside prisons.

The Corston report will be published tomorrow in a written ministerial statement by the Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson), and I hope that that will be welcomed.

Mr. Neil Gerrard (Walthamstow) (Lab): I have to say that I found my right hon. Friend's statement rather depressing in its assumption that we are going to carry

on sending more and more people to prison when we already send more there than virtually any other European country. Although I welcome what he said about Lord Bradley's review, surely we ought be putting far more money into keeping out of prison people who do not need to be there—those with serious mental health problems, fine defaulters and those in for minor breaches of orders. Does his statement on expansion and more resources imply a reversal in the budget cuts in place for the next year, which will affect the probation service and the Prison Service?

Mr. Straw: None of us wants to send people to prison just for the sake of it, but prison is there to deal with offenders who are sentenced properly by the courts. The increase in the prison population is one factor—we cannot say exactly what weight to give to it—that has contributed to the significant reduction in crime. We all agree that more should be done to move into the health service prisoners who suffer from serious mental health problems. A great deal has been done; we have abolished the prison health service and we now have NHS staff working on the issue. We hope that more work will be done in future.

On fine defaulters, I say to my hon. Friend that prison has to be available as a sentence of last resort if people refuse to pay fines. Other disposals are available, but if people go on refusing, they need to be locked up. There are no cuts in the Prison Service or the probation budget.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Does the Lord Chancellor recognise that short periods of custody are notoriously ineffective for dealing with fine defaulters, breaches of bail conditions or antisocial behaviour order breaches? All those things could probably be more effectively handled by community courts that had a consistent engagement with the offender and were able to keep the offender up to the mark. Will he deal with the tendency in our system to spend the vast resources that go into criminal justice on the most expensive measures, rather than the ones most likely to work?

Mr. Straw: If we can deal with offenders outside the prison system, we should, but I repeat that it is not for us to second-guess magistrates or judges when they are making a decision about what to do with a particular offender. Almost always, when they deal with an ASBO breach or a serious fine defaulter, they have been through a range of community sentences and then said, "We've had enough. We're going to take you off the streets for a period." It may or may not be that the person in question decides to get away from criminal habits, but the period for which they are locked up is at least a respite for those whom they have been penalising through their criminal behaviour.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I welcome my right hon. Friend's statement, and particularly the implicit recognition that offenders cannot carry on reoffending in the community while they are in prison. I also welcome Lord Carter's proposal for a sentencing commission, which is a good way forward. However, may I ask my right hon. Friend to go a little further still? Does he agree that courts should be determining an appropriate sentence on the basis of the offence itself, and not how many prison places are available on any given day?

Mr. Straw: I welcome my right hon. Friend's approval of the recommendations; he comes to the matter with a great deal of expertise, having worked with me as Minister with responsibility for prisons in the 1997 to 2001 Parliament of this Administration.

It is a matter for the courts to determine the appropriate sentence. There has been no guidance, and nor would there be, to vary sentences according to variations in the prison population. We have responded to rises in the prison population, and we shall continue to do so, hence the increase of 10,500 places on top of the 9,500 already announced, for which the Government are now finding funds.

Mr. Kenneth Clarke (Rushcliffe) (Con): Surely the proposal by Lord Carter of a sentencing commission is based on the rather extraordinary proposition that, from time to time, sentencing guidelines should be raised or lowered in line with the current state of the prison population and of overcrowding. Will the Lord Chancellor make it clear whether he is commending and adopting this proposal, as he seemed to be in replying to my hon. Friend the Member for Arundel and South Downs (Nick Herbert), or whether he will refer it to a working party that will give much more consideration to the advantages and disadvantages, and to whether or not it is a good idea? Surely there cannot be any substitute for a situation in which civilised prison accommodation is available for all those whom the courts think it is appropriate and necessary to send to prison. We cannot start having variations over the years according to the state of prison overcrowding—a state that we should not have got into, although we have done so during the past 10 years.

Mr. Straw: I try to be ecumenical, but the right hon. and learned Gentleman was Home Secretary during a period when police cells were used very extensively, and more extensively than today. He was also Chancellor of the Exchequer, and I know for certain that when the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) came to ask for more money for the police, the right hon. and learned Member for Rushcliffe (Mr. Clarke) did not say, "Oh yes. Would you like to write out the cheque?" One of the consequences of his penury was that police numbers were going down at the end of that period, not up.

However, let me reassure the right hon. and learned Gentleman. He asks whether this is a done deal or whether a working party will further examine the matter. I think that the idea is a good one, on the basis of what I have read, but it is not a done deal. There is a working party, which will be chaired by a senior member of the judiciary, to examine it properly. The right hon. and learned Gentleman takes a serious interest in these matters, and I hope that when he has looked at what Lord Carter says—and also, I may say, a passage in the speech made by the hon. Member for Arundel and South Downs on 26 November that came to similar conclusions—he will support what is proposed.

Julie Morgan (Cardiff, North) (Lab): I welcome my right hon. Friend's statement, and in particular the changes to indeterminate sentences—the IPP sentences. Will he tell me what he plans to do to reduce the number of young people in prison? In March this year, there were nearly 2,500 15 to 17-year-olds in prison.

Mr. Straw: We all wish to see the number of young people in prison reduced if that is consistent with what the courts decide. As it happens, pressure on prisoner status has come from adult offenders in recent months, not from young people. What we have done, as announced by my right hon. Friend the Prime Minister at the end of June, is ensure that joint responsibility for the Youth Justice Board and youth provision as a whole for young offenders is held by myself and my right hon. Friend the Secretary of State for Children, Schools and Families. A joint unit is being established in our Departments to ensure better management of the policy and its operation.

Mr. Gregory Campbell (East Londonderry) (DUP): The report proposes a large increase in prison building. When considering any prison estate review, such as the one currently under way in Northern Ireland, will the Secretary of State confirm that significant emphasis will be given to two things? The first is a unanimous recommendation by the Select Committee on Northern Ireland Affairs regarding the location of an existing prison in my constituency. Secondly, there is the fact that not to do as suggested in that recommendation could cost the public purse an additional £60 million through land acquisition.

Mr. Straw: As I am also Lord Chancellor of Northern Ireland, I discussed those matters when I visited the courts in Belfast at the start of the judicial year, but this is directly a matter for my right hon. Friend the Secretary of State for Northern Ireland, and I will ensure that he is made fully aware of the hon. Gentleman's opinions.

John Battle (Leeds, West) (Lab): At Armley prison in my constituency, 50 people a day go in and 50 a day come out. Nationally, one in seven children have a father who has been or is in prison. It is also well understood that if prisoners have visits from their children, the reoffending rate drops drastically. Therefore, will my right hon. Friend support and perhaps visit the independent charity The Jigsaw Project, which is in a new building outside Armley prison? It is doing excellent work with prisoners and their families, getting results in practice and reducing reoffending. We need to support projects outside as the key to preventing people from going around in circles, in and out of prison.

Mr. Straw: I commend my right hon. Friend for his work, and yes is the answer to his question about whether I would be interested in a visit.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Lord Chancellor announced the establishment of a category C prison in the former RAF base at Coltishall, part of which lies in my constituency. In 18 months, the local community has experienced moves from no Department being interested to the Home Office being interested a year ago and definitely intending to establish an immigration and asylum centre there, to the current prospect of a category C prison. The local community is, to say the least, bewildered. What does he mean by providing additional capacity in the short to medium term? What is the time line on that? Will he or one of his Ministers be able to brief local Members of Parliament and the local community fully about all the details associated with the announcement?

Mr. Straw: I understand that there has been some uncertainty for the local community. I hope that it may be relatively relieved that the site will be used for a category C prison rather than the potential earlier use, which always causes some excitement in local communities. The prisoners will be locked up and our record on cutting escapes from closed prisons is good. Of course, we will ensure that local Members of Parliament, including the hon. Gentleman, and the local council and community are fully briefed. The Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn, says that he is happy to visit the area.

Mr. Brian Jenkins (Tamworth) (Lab): It is a sad day for our society when we have to announce extra prison places. However, I welcome the re-emphasis on prisoners with mental health problems. My right hon. Friend knows that, last year, we processed 700 people out of prison, and we probably took more people with mental health problems into prisons than we processed out of them. Has he considered creating a special prison—a special unit—that could probably process such people more quickly? It could assess them and pass them on to more appropriate locations, thus releasing prison places, but more importantly, leading to treatment for those suffering from mental illness.

Mr. Straw: Many health care centres, for example in Preston, which is an old prison but has transformed its health care provision in recent years, perform the function that my hon. Friend describes. We want to examine greater and more flexible arrangements for health care in prison. Some of the committed NHS staff who work in Preston put proposals to me when I was there with my hon. Friend the Member for Preston (Mr. Hendrick) in September. Of course, we will examine those matters. The aim is to keep serious, long-term mental health patients out of the prison system.

Norman Lamb (North Norfolk) (LD): Like the hon. Member for Mid-Norfolk (Mr. Simpson), my interest is based on the location of former RAF Coltishall in my constituency, where it is largely situated, although it overlaps into his. Does not the announcement about it smack of chaos, confusion and crisis management? When the site was first offered to the Home Office two years ago, it showed no interest. Last year, we were told that an assessment had concluded that it was not an appropriate site for a prison. For a year, its potential as an immigration centre was considered, while it decayed. Now we are told that it is appropriate for a prison. What has changed since the assessment last year? We have known about the trends in prison numbers for some time. There is concern in the local

community. Will the Minister with responsibility for prisons agree to meet the hon. Member for Mid-Norfolk and me?

Mr. Straw: If you do not mind my saying so, Mr. Speaker, the hon. Gentleman could take some lessons from his Conservative neighbour in seriously representing his constituents.

We all understand that there will be a period of uncertainty about the use of redundant military land. Indeed, that applies to all large areas of land that become available. Of course, if it is Government land, several possible uses will be considered. We can either conduct that consideration in secret—in my judgment, there is no case for doing so in areas such as the one that we are discussing—or as ideas come through, we can share them with the local community. If the hon. Gentleman objects to the latter, and believes that we should go back to the old days before the Freedom of Information Act 2000, let him put that on the record. Sometimes we say that we are considering an idea and we then take account of the local community's views and, as in the case of candidates for asylum and immigration centres, of whether the numbers are decreasing—and they have decreased dramatically.

In our judgment, the proposal is a sensible use of the camp. We all understand that proposals for prisons cause some nervousness in the local community. However, all the evidence shows that there is no adverse effect on house prices—we have data to prove that. Once prisons are established, they prove popular with the local community, and it will be difficult to close those that become candidates for closure in future.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): With three prisons and a young offenders institution in my constituency, I greatly welcome the statement and the measures to reduce prison overcrowding. However, will my right hon. Friend assure me that prison officers and probation staff will be fully involved in developing non-custodial sentences and deciding the circumstances in which they can be applied, including finding alternatives to prison for non-violent vulnerable women and people with mental health problems?

Mr. Straw: Yes, I can give my hon. Friend that commitment. I hope that she is looking forward to the publication of the Government's response to the Corston report tomorrow.

Adam Price (Carmarthen, East and Dinefwr) (PC): Greater proximity to home and family networks is, as the right hon. Member for Leeds, West (John Battle) suggested, a major factor in helping reduce reoffending rates. With that in mind, does today's statement mean that we will finally get a prison in north Wales for the first time, and a women's prison in Wales for the first time? Can we get more secure facilities for young people in Wales so that we do not have to send so many young offenders hundreds of miles away to institutions in England?

Mr. Straw: Yes. If one looks at the map, it is patent that, while north-west England—my area—has many prisons, north Wales does not, although there are five prisons in south Wales. The Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn, the Minister with responsibility for prisons, represents a north Wales constituency, and we are considering sites in north Wales. If we can find a suitable site, we shall use it, I hope with the full support of constituency Members.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Can the Lord Chancellor clarify how many of the 10,500 new places will be new cells?

Mr. Straw: I am happy to write to the hon. Gentleman with the details. Most of the prisons are entirely new build. We are also putting rapid build units into existing sites, but I emphasise that we are considering a building programme.

Benefits Uprating

1.17 pm

The Minister for Pensions Reform (Mr. Mike O'Brien): With permission, Mr. Speaker, I wish to make the annual social security uprating statement and a broader statement on pensions. I will place full details of the uprating in the Vote Office and arrange for the figures to be published in the *Official Report*.

As in previous years, most national insurance benefits will rise by September's retail price index, which is up by 3.9 per cent. Most income-related benefits will rise by September's Rossi index, which is RPI less housing costs, and is up by 2.3 per cent. As my right hon. Friend the Chancellor announced, from April 2008 the basic state pension will increase to £90.70, which is up by £3.40. For couples, the standard rate will rise to £145.05, which is up by £5.45. That is a real-terms rise of 10 per cent., or more than £47.30, since 1997.

My right hon. Friend the Chancellor also announced that the standard minimum guarantee part for pension credit, which has risen with earnings since 2003, will from next April rise by £5 a week for single pensioners and £7.65 for couples. That means that from April next year, no single pensioner should live on less than £124.05 a week, and no couple on less than £189.35 a week. That is an increase of £57 for a single pensioner and £85 for couples since 1997.

Since 1997, pensioner poverty has reduced by more than a third as a result of targeted support from pension credit and £11 billion of extra funding. That has lifted more than 1 million pensioners out of relative poverty. As a result, pensioner households are on average £1,500 a year, or £29 a week, better off in real terms. The poorest pensioner households are around £2,200 a year, or £42 a week, better off. That underlines our commitment to target resources where the need is greatest.

That is a commitment that I can reinforce today. I can announce a package of changes for introduction in October 2008 to simplify further the state pension system. The package is cost-neutral over the long term and will be paid for by reducing the backdating of pension credit from 12 months to three months, as from next October. Twelve-month backdating was introduced in 2003 to ease the introduction of pension credit. The new changes will make better use of these resources and, I understand, will be broadly welcomed by Help the Aged and Age Concern. The changes that we intend to introduce will make the system less confusing, less intrusive and more transparent. We want the customer to be able to get their state pension entitlements with the minimum fuss, bureaucracy and form filling.

In 2005, we made some improvements. Those applying for pension credit by telephone have been able to get council tax benefit and housing benefit together, using a shortened claim form completed by the Pension Service. The form is then sent out to the customer to sign and send to their local council. Many pensioners do not send the form on, however, and so lose out. We aim to improve on that by being more efficient and more joined up. We intend for council tax benefit and housing benefit claims to be made over the telephone in exactly the same way as those for state pension and pension credit. The claim will be taken by the Pension Service and automatically passed to the local council for assessment. No more action will be needed by the pensioner. They can access up to four benefits in one telephone call: pension credit, state pension, housing benefit and council tax benefit. About 50,000 pensioners will gain from the measure by 2010. We also plan to align the rules on backdating of pension credit, housing benefit and council tax benefit with those on the working age benefits. That will reduce complexity and make the application process less intrusive.

These days, some pensioners spend longer periods abroad in warmer countries. They currently lose their pension credit after only four weeks. We intend to change the pension credit rules that relate to the length of time that pensioners can spend abroad before their benefit is affected. We will align pension credit with the rules on housing benefit and council tax benefit, so that benefit will continue for up to 13 weeks. That will mean that almost 90 per cent. of the pensioners who would currently have their pension credit stopped will in future retain their entitlement.

Those changes will be taken with two further measures in the pensions Bill that, with your permission, Mr. Speaker, I hope to put before the House today. Those measures will simplify the rules relating to the additional state pension and remove the need for most pension credit customers aged 75 and over to tell us about changes in their retirement income. More than 1 million pensioners will benefit through not having to complete a review of their income and capital, because we believe that income and capital do not increase much for most people after 75.

We will also uprate benefits and allowances for the working population. Child allowances linked to the income-related benefits will be increased in parallel with the child tax credits. This is intended to ensure that families receiving those benefits see the full value of increases in child tax credits. In particular, the allowance paid for a child dependant will increase by £5.14 a week from next April to £52.59, which is a rise of almost 11 per cent.

As in previous years, the uprating provides an opportunity to deal with anomalies and make the system simpler. So from next April, the single person rate for income support and jobseeker's allowance will be the same for all 16 to 24-year-olds. For the small number of 16 and 17-year-olds who claim, this amounts to an increase of £12.30, uplifting their weekly benefit from £35.65 to £47.95. That will tackle a perverse incentive that exists in the current system to leave home to receive more benefits. The change will also provide extra help to some vulnerable teenagers, as well as simplifying the benefit structure.

To return to pensions, our first priority was to tackle pensioner poverty and ensure that everyone shared in rising prosperity. Our next priority is to put in place a pensions system for the future. The good news is that on average we can expect to live longer, but that has consequences. Measures in the Pensions Act 2007, passed earlier in the year, will tackle gender inequality in the state system, providing a more generous basic state pension, restoring the earnings link and giving people a clear picture of what the state will provide and what they need to do for themselves. Measures to be introduced in Parliament later today will take the next step in the reforms by encouraging saving and extending for the first time the benefits of pension saving with minimum

mandatory contributions from an employer across the working age population, and by giving everyone the opportunity to create a retirement income that helps them to meet their aspirations. In bringing forward these measures, we will continue to support existing final salary pension provision.

I am pleased to announce that we are today publishing the Government's response to the deregulatory review consultation. The response summarises the comments that we received and outlines the further action that will be taken. We are grateful for all the responses received and for the detailed consideration that many have already given to the issues involved. We want to reduce burdens on employers who provide good workplace pension schemes, but we need to balance that against maintaining adequate protection for pension scheme members. That is not easy to achieve, but without action, the slide away from final salary schemes could turn into a rush.

We intend to reduce the statutory cap on the revaluation of deferred pensions from 5 to 2.5 per cent. for pension rights that will build up from a future date. That change will not affect pension rights that are already earned. We will include the changes needed to achieve that in the pensions Bill that I hope to introduce this afternoon. In addition, we will take forward some issues through secondary legislation or guidance, and work with stakeholders to explore the scope to address concerns that have been raised in other areas. This includes a statutory override to enable employers and trustees to agree changes to pension schemes, which will enable them to benefit from statutory and regulatory changes. That has proved difficult for some schemes in the past. Copies of the detailed response will be placed in the Libraries of the Houses of Parliament.

The cost of uprating benefits for next year is nearly £4 billion, with more than £2.75 billion of that going to pensioners. The further simplification measures that I have announced today, together with those that, with your permission, Mr. Speaker, I am bringing forward in the pensions Bill, represent a substantial further investment in social justice, reducing poverty and helping those in need. I commend the statement to the House.

Mr. Nigel Waterson (Eastbourne) (Con): I thank the Minister for his usual courtesy in letting me have a copy of his statement in advance.

We on the Conservative Benches of course do not oppose the uprating of benefits, although we have issues with the administration and complexity of the system, as well as with the disincentives to both work and saving that are inherent in it. Can the Minister update the House on the Department's efforts to tackle fraud and error in the system? It is bad enough that the Government are so inept at dealing with people's confidential records, but why are they still paying out more than £5 billion through fraud and error in the benefits system? Can he confirm that benefit payments have been going to prisoners, students and those who are already in work? Can he also confirm that, at the same time as that largesse at the taxpayer's expense is going on, up to £2.5 billion of pension credit went unclaimed last year—a rise of £500 million on 2004-05?

May I welcome the proposal for 1 million pensioners not to have to review their income and capital? However, can the Minister confirm that there will be losers from reducing the backdating for pension credit from 12 to three months? How many does he estimate there will be? What steps will he take to ensure that pensioners are aware of this change in the rules? Is it not the case that the saving made by the change is simply being transferred to, I hope, an increased take-up of means-tested benefits? Is it not simply a case of robbing Peter to pay Paul? Can he confirm that almost 40 per cent. of those entitled to council tax benefit do not claim it, and that pensioners are the worst category in that regard? Is it true that the take-up of the benefit has fallen—fallen—by 12 per cent. since 1997? I therefore welcome the proposals in the statement to increase take-up, but why has it taken so long to produce them? Have the Government not tested to destruction the system of means-tested benefits to the extent that the poorest pensioners are becoming poorer in real terms? Will he explain the Government's failure yet again to provide help to pensioners with their council tax bills?

The Minister made much in his statement of what the Government are allegedly doing for pensioners. While he mentioned the restoration of the link between the state pension and average earnings, he gave no clue whatever as to when that might happen. Previously, it has been said that it would happen in 2012 or 2015, or not even then if it was unaffordable. When will it happen?

As the Minister pointed out, there is a broad measure of consensus over long-term pensions reform. My party supports the overall pensions settlement emerging from the Turner commission. In our last election manifesto, we embraced auto-enrolment and the need to boost pension savings. But does he accept that we have legitimate concerns about the design of personal accounts? In recent weeks, Ministers and others have tried to shut down debate on those important issues by suggesting that the official Opposition were in some way undermining the consensus. I wholly reject that argument. Does he not accept that it is the job of the official Opposition to question? We have serious questions about the effects of means-testing on pensions saving.

The Pensions Policy Institute has identified at-risk groups who will be no better or worse off as a result of being auto-enrolled into personal accounts. Can the Minister confirm that he takes the issue seriously? Does he appreciate that whatever politicians might say, commentators and journalists are bound to write the story that some people will not be better off? It is fundamentally an issue of confidence, which has been badly shaken by the pensions crisis. Will he make a statement in the near future on proposals to deal with the problem?

While we are on the subject of confidence, will the Minister confirm that he will shortly receive and publish the Young report, and bring forward proposals for compensation in response to pension victims' legitimate claims?

We broadly support the measures mentioned by the Minister in response to the deregulatory review. I assure him of our broad support on the revaluation of deferred pensions and on the statutory override. If we are to stem the disastrous decline in defined benefit schemes, however, Ministers must be more radical and courageous. I assure him that he will have our encouragement and support in looking at radical options such as risk-sharing.

On personal accounts, is it not most unfortunate that the new chairman of the Personal Accounts Delivery Authority, Paul Myners, has rendered his position wholly

[Mr. Nigel Waterson]

untenable, given his intemperate attack on the official Opposition from his civil service position and his record as a Labour donor?

Finally, does the Minister accept that with nearly 2 million pensioners living in poverty, 125,000 pension victims, nearly 5 million people claiming out-of-work benefits, and the highest proportion of chi'dren living in workless households in the whole of the European Union, the complacency that peppers his statement today is grossly misplaced?

Mr. O'Brien: It is interesting to read what the hon. Member for Eastbourne (Mr. Waterson) said last year and compare it with what he says today. In the past, he said that the Government would do nothing about the Turner report, but we passed one Bill in July and are about to introduce a further Bill. He claimed that nothing would be done about the Child Support Agency, but we have just taken through legislation in relation to it.

We made it absolutely clear that we would reduce pensioner poverty, and the whole statement is about ensuring that. We are putting an extra £11 billion into helping pensioners. That money would not have been in the system had the Conservatives maintained office in 1997. Two million pensioners have been lifted out of poverty, and 1 million out of relative poverty. Those are enormously good figures. Had the Conservatives stayed in power, pensioners would be on £69 a week. Instead, no pensioner need be on less than £119 a week, and that figure will rise next April to £124 for a single pensioner.

The hon. Gentleman asked me about a number of issues, including those in relation to fraud. We are committed to protecting the integrity of the benefits system and ensuring that we pay our customers the right benefits at the right time. May I make it clear that fraud in income support and jobseeker's allowance has been reduced by about two thirds since we took over from the Conservatives? It is down from 7.2 per cent. to 2.1 per cent., and is now the lowest ever recorded. Since 1997, our Department has put enormous effort into reducing fraud in the benefits system, with great success. Fraud now stands at its lowest level—down from an estimated £2 billion in 2001. As well as changing the way in which fraud is dealt with, we are addressing error in the system through benefit simplification. Today's announcements will help in that process.

The hon. Gentleman also asked how we would ensure that people were able to claim pension credit. Our officials are ready today to accept telephone calls from pensioners who wish to claim pension credit. I know that the changes announced today will be welcomed by some of the pensioners' organisations, as they have asked for them in their conversations with me for some time. The whole basis of those changes is to ensure that take-up of pension credit increases and that people get help with their council tax. Those who are on low incomes and struggling with council tax, many of whom did not fill in the form that they got from the Pension Service, and did not send it on to their local authority and get the benefit to which they were entitled, will no longer have to sign that form. Many of them thought that the form was confusing and did not want to sign it. In future, that form will be dealt with automatically by the Pension Service, and pensioners will not have to worry about it, sign it or pass it on to local councils. That will not only be a saving for local councils; I hope that it will ensure that more people who are entitled to help with their council tax get it.

The hon. Gentleman asked about losers in relation to the backdating. There will be no actual losers, as we are redistributing the money within the budget—*[Interruption.]* I see that Opposition Front-Bench Members are chortling. Overall, there will not be losers, as the money will be redistributed within the budget. During the next nine months, we will encourage some people to make the application before the change is introduced. There need be no losers in the long term either. We want those who are entitled to claim the backdating for 12 months to make that claim before next October. We will therefore work with some of the pensioners' organisations to ensure that we support their campaign to get more people to apply.

The hon. Gentleman also asked about the Young report in relation to the financial assistance scheme. We hope to receive the Young report shortly—I have not yet seen a copy of it, but I hope to get it within days. We will then consider it, and I hope to announce in due course our response to that report.

The hon. Gentleman mentioned proposals in relation to risk-sharing, which he said that he supported. We have looked into that and we could look at it more broadly, but I am not anxious to rewrite the whole of pensions and trust law in order to bring it in. That would not be helpful. The hon. Gentleman might find it worth talking to some leading figures in the CBI, as some are a little concerned that it might lead to a movement from defined benefit schemes into the new system, as some companies are not prepared to go straight from such defined benefit schemes into defined contribution schemes. The issues around this subject should be examined with great care, but I do not want to rush into this just yet.

The hon. Gentleman said that his party supported Turner and automatic enrolment and, indeed, wanted to ensure that it was a success. I accept the hon. Gentleman's good faith in saying that, because I think he has been broadly supportive. I have to say, however, that his colleague, the hon. Member for Epsom and Ewell (Chris Grayling), has not filled me with any confidence that he takes that view; nor is it the case, I also have to say, that he has adopted the same role as his predecessor in supporting personal accounts. I have seen the hon. Member for Epsom and Ewell take every opportunity to run down the whole idea of personal accounts. I think he needs to be really careful, as we have built a consensus on it. I pay tribute to the hon. Member for Eastbourne for contributing to it, but I warn him that the hon. Member for Epsom and Ewell takes every opportunity, as I said, to undermine it.

We are now looking at another example, as the hon. Member for Epsom and Ewell has raised questions about the chairman of the Personal Accounts Delivery Authority, Mr. Paul Myners. He has a record for dealing with issues in the City, which meant that when he was appointed by a perfectly proper procedure, he was been broadly welcomed by stakeholders as a serious figure with a strong record. He has a world-class business record and extensive knowledge of financial services. Judged in a fair and open competition as the best man

to lead PADA, his appointment has been widely welcomed by the industry, yet the hon. Gentleman has now attacked him. I ask myself whether this is yet another example of that hon. Member taking the opportunity to have a go—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Some hon. Members still wish to question the Minister, so perhaps he could draw his remarks to a close.

Mr. O'Brien: I know that Paul Myners has written to the hon. Member for Epsom and Ewell, pointing out that while that hon. Member may not find his company of the sort that he would want, it appears that the Opposition spokesman on trade and industry matters invited Mr. Myners to dinner after "Question Time". We seem to have a slight split on the Tory Front Bench there. I hope that the hon. Member for Eastbourne will continue to support personal accounts and perhaps put the hon. Member for Epsom and Ewell back in his box.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I am grateful to the Minister for advance notice of his statement. The uprating announced today will be welcomed by many, but tackling poverty must be the key test against which such statements are judged. On that basis, some serious questions need to be answered. Even with today's rise, the state pension is still worth less than it was in 1950. Is it not simply unjustifiable that the uprating in line with earnings is to be delayed until 2012 at the earliest?

Can the Minister confirm that, yet again, there is no uprating of the winter fuel payment? Is he not aware that due to rising fuel prices, that payment is now worth roughly half its value when introduced, leading many to slide back into fuel poverty? The Minister has talked about backdating the pension credit, but is he not aware that with between 1.2 million and 1.7 million people not claiming it, there will inevitably be some individual losers, notwithstanding the fact that money is being redistributed, as he rightly said, within the pension pot?

While the steps the Minister is taking to simplify the application process for pensioners are welcome, is he not accepting by doing so that complexity is a major barrier to benefit take-up? Does he not agree that with 51 different benefits and 250 different rates, Britain's benefit system is the most complex in the world? Does he not further agree that that complexity makes the system a nightmare for many who will wish to claim today's uprated benefits such as pension credit? Is it not time to seek much greater simplification—through the introduction of a single working age benefit, for example? Does the Minister also agree that deep public anxiety about data security within the Department for Work and Pensions and about tax credits could also undermine benefit take-up? What reassurance can he offer to give claimants confidence in how their data will be handled by his Department?

The Minister mentions the pensions Bill, and we will carefully study the proposals on deregulation. The personal accounts scheme is welcome, but does the Minister share my concern that the mass means-testing of pensioners continued by today's statement could muddy the waters for many people about whether saving is worthwhile? What steps is he taking to ensure that those people, and those with huge personal debts, will have access to appropriate advice to ensure that they are able to take the right decision?

One group of pensioners—the 125,000 whose pension schemes have collapsed—will have heard nothing of comfort in today's statement. Will the Minister tell us when he expects to publish the results of the Young review? Is it his intention, as was reported in the press at the weekend, that the assets within the unclaimed scheme should be privatised? Would it not make more sense to hand those assets over to the management of the Pension Protection Fund, which has shown considerable expertise? That matter cannot wait much longer and I hope that the Minister will give us some reassurances on that. *[Interruption.]*

Madam Deputy Speaker: Order. There are far too many individual conversations going on in the Chamber, which is making it very difficult to hear what is going on.

Mr. O'Brien: The hon. Gentleman asked about the earnings link, and we have already legislated to ensure that it will be brought in after 2012 during the course of that Parliament.

As to winter fuel payments, we never intended them to cover all the costs of heating, lighting and so forth for pensioners. It has rather been a contribution towards those costs. We know—and I know from my time as Energy Minister—that fuel prices dipped, but they have now come back up, which has meant significant changes in the cost of fuel on the market. However, as a result of our uprating of various benefits, particularly pension credit, for the poorest pensioners and the more general improvement in benefits and pensions for retired people, we also know that their income has steadily risen. They should be able to deal with issues around fuel poverty; indeed, we have been able to improve their position with respect to it. I hear what the hon. Gentleman says about winter fuel payments, but that is a matter for my right hon. Friend the Chancellor of the Exchequer. As far as I can see, however, the record on winter fuel payments from 1997 to now is an extremely good one.

The take-up of pension credit has been a long-term issue. It is the case that we have written as many as four or five times to some of the people who we think should be claiming pension credit. For various reasons—they may not want to fill in the forms, or they may feel that they would not get very much—they decide not to. Some of them are surprised when they make a claim, as they receive far more than they expected. We are still working to encourage people to take up pension credit. Indeed, we hope to visit as many as 600,000 pensioners during the coming year to see if we can encourage better take-up. The changes that will come into force in October 2008 will provide quite an incentive for people to move forward and take up pension credit between now and then.

The hon. Gentleman rightly refers to complexity, which has been a long-term problem for the pensions sector. Through the Pensions Act 2007, and indeed the new pensions Bill, we aim to simplify and clarify a very complex system indeed. The changes I have announced today, particularly the automaticity of benefit application, will help ensure that some of that complexity is dealt with.

[Mr. Mike O'Brien]

The hon. Gentleman rightly asked about data security. Personal accounts will require the transfer of some data between HMRC and the pensions regulator. We want to ensure that it is transferred in an appropriate and proper way and that proper controls are undertaken in respect of it.

As for means-testing, we have sought to use it to ensure that we tackle the key issue of pensioner poverty. We have had considerable success in doing that, and the proposals that I have announced will help us to build on our record, but there is still much more that we can do. Changes that we are making in the way in which benefits are available will, over time, start to reduce some of the means-testing. We have never been in favour of it, but it is one of the best ways of targeting help on the poorest people.

I cannot yet give the hon. Gentleman a publication date for the Young review. I want to be able to look at it and consider it, and I know that it is likely to be quite a complex report. I hope to receive it in the next few days, and although I cannot give the hon. Gentleman a commitment, I hope to be able to say something about it before Christmas.

The hon. Gentleman mentioned some report in the weekend press. Let me say to him that obtaining information from the press is never wise.

Mr. Brian Jenkins (Tamworth) (Lab): We all welcome upratings, but does my good friend the Minister intend to write to all the people in our community who attain the age of 80 this year, and along with it entitlement to the old age allowance, and inform them of what they should do with their new-found wealth when the allowance rises from 25p to 26p? Might it include buying a second-class postage stamp, or saving up for a first-class postage stamp? Is it not about time that this award, which is neither use nor ornament, was laid to rest?

Mr. O'Brien: I have to say that my hon. Friend sounds a bit like my mum. My mum has just turned 80, and she said, "That 25p was a bit of an insult"—and a good friend of mine, Gwen Johnson, who runs the Atherstone pensioners convention, said, "You need to get rid of that 25p, Mike." I am talking to my right hon. Friend the Chancellor, and I hope that we will be able to take some steps. I want to deal with what many pensioners regard as an insult, but if we do that, there must be a compensation measure. I hope that in due course we will be able to ensure not only that pensioners do not receive just 25p, but that they do not lose out as a result of any change.

Mr. Philip Hollobone (Kettering) (Con): What is the official estimate of the rate of inflation as it applies to pensioners, and how does it compare with the proposed increase in the state pension next year? Of the alleged £1,500 real increase in the state pension in the past 10 years, what percentage, on average, has been taken up by council tax rises?

Mr. O'Brien: This year the retail prices index is above earnings levels, and we have therefore increased the pension by the higher rate to ensure that people do not lose out. As for the hon. Gentleman's question about council tax, the answer is that—as with many things—it depends. It depends on whether someone is able to access the various benefits that are available to help people on the lowest incomes with their council tax. Numerous people across the country will benefit from some of the proposals that I have announced: we estimate that by 2010 up to 50,000 pensioners will be helped, many of them as a result of claiming benefits relating to council tax.

As was mentioned earlier, we have had problems in getting people to claim their pension credit, so we are making changes in relation to take-up. We are launching a campaign to inform people that they need not pay so much council tax, and that if they telephone the Pension Service it will not only ensure that they pay less, but perhaps enable them to claim pension credit at the same time. Reducing council tax would provide quite an incentive. People do not like paying taxes but they may also object to claiming benefits, and I hope that the council tax incentive can be used to get people on to benefits and lift them out of poverty.

Derek Conway (Old Bexley and Sidcup) (Con): The Minister's statement has been rightly welcomed in all parts of the House, but may I press him on the proposal—itself very welcome—to ensure that information is sent automatically to councils, especially when it concerns council tax and housing benefits? Will the Department encourage local authorities to make that facility widely known to council tax payers in particular? Given that administration can vary slightly between authorities, will the Minister monitor them to ensure that the system is implemented fairly and quickly? Many people are a little confused by all the form-filling and demands, and it is important for them to interpret his initiatives positively.

Mr. O'Brien: Yes, that is important. I hesitate to tell local authorities what to do, because they always object to it and then demand money. We will work with Age Concern and Help the Aged during the coming year to encourage take-up of pension credit. We hope and intend to introduce the changes that will establish automaticity—as the jargon has it—by October next year. People will then be able to claim a number of benefits with just one telephone call.

I believe that working with voluntary organisations on a national basis to mount our campaign will give us a considerable voice out there, but I hope that we can persuade local authorities to join in. Telling pensioners about, for example, the extra help with free transport that we will be giving them next year might provide authorities with a good opportunity to say to them, "Actually, you can claim backdated pension credit until October, and after that a telephone call might well result in your paying less council tax and receiving more help in the form of pension credit." The hon. Gentleman is right: the opportunities are significant.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Fuel poverty is the big issue for pensioners. In Stornoway, diesel costs £1.19 a litre. How does the Minister propose to help pensioners in rural and island communities who must pay more tax on fuel than people anywhere else in the United Kingdom and thus

probably, in the world? Ironically, pensioners incur those costs when they collect their pensions, and when they go shopping. On large islands such as Lewis and Uist, 50-mile return journeys are not unknown. Just what can the Minister do?

Mr. O'Brien: The hon. Gentleman rightly talks of his island communities, but rural communities throughout the United Kingdom are affected by problems relating to distance. That is why we have a strategy to help rural areas, which has been announced by my colleagues in other Departments.

There are higher costs associated with living in beautiful areas. Such areas often require a degree of hardiness, given the problems that exist in them. We want to find ways of providing further assistance, particularly for pensioners, some of whom may be infirm and may experience difficulties with travel arrangements.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Minister has rightly recognised that failure to take up pension credit means that some of the poorest pensioners are missing out on something to which they are entitled. The view of those on the Liberal Democrat Front Bench is that we should deal with the problem by reducing the need for means-testing. The Minister is trying to simplify the process and I wish him success with that, but to help us to judge his success in a year's time, will he give us estimates of the number of people who he thinks are currently missing out on pension credit and the figure to which he expects that number to fall if his campaign has been a success?

Mr. O'Brien: It will not all have been done in a year's time. A year from now the system will have been in place for only a couple of months, and I think it ambitious to try to tie me down to a figure representing a change over a couple of months. It is ambitious on the hon. Gentleman's part, and giving such a figure would certainly be ambitious on mine. What we have said is that we expect the introduction of the automatic entitlement as a result of a single telephone call to lift about 50,000 pensioners out of poverty by 2010.

Point of Order

1.59 pm

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Madam Deputy Speaker. I wonder whether I could seek your advice on how to correct misinformation in a particular case. I have here a document that states:

> "The Electoral Commission had referred matters to the Police therefore aspects of the Whitty review would have to be placed on hold."

That is in confidential minutes written by Michael Cashman, MEP. Earlier, the Prime Minister denied that. Obviously, that was inadvertent. How can we get the Prime Minister back to the Chamber to correct the record, so that the whole world will know that, in fact, the Whitty review has to be placed on hold because the police are involved?

Madam Deputy Speaker (Sylvia Heal): That is not a point of order for the Chair. The hon. Gentleman is an experienced Member, and I suggest that he write to the individual concerned to get clarification on the point he has raised on the Floor of the House.

BILLS PRESENTED

Pensions

Mr. Secretary Hain, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Des Browne, Mr. Secretary Hutton, Mr. Secretary Woodward, Mr. Mike O'Brien and Mr. James Plaskitt, presented a Bill to make provision relating to pensions, and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 25].

Planning and Energy

Mr. Michael Fallon, supported by John Battle, Mr. Elliot Morley, Mr. Michael Meacher, Mr. Martin Caton, Colin Challen, Dr. Alan Whitehead, Hugh Bayley, Mr. John Gummer, Mr. Michael Jack, Julia Goldsworthy and Chris Huhne, presented a Bill to enable local planning authorities to set requirements for energy generation and energy efficiency in local plans: And the same was read the First time; and ordered to be read a Second time on Friday 25 January, and to be printed. [Bill 17].

Special Educational Needs (Information)

Mrs. Sharon Hodgson, supported by Lyn Brown, Mr. David Blunkett, Mr. Barry Sheerman, Kelvin Hopkins, Ms Angela C. Smith, Anne Snelgrove, John Bercow, Mr. Ian Liddell-Grainger, Mr. Christopher Fraser, Mr. Mark Oaten and Stephen Williams, presented a Bill to amend the Education Act 1996 in relation to the provision and publication of information about children who have special educational needs; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 1 February, and to be printed [Bill 26].

Temporary and Agency Workers (Equal Treatment)

Andrew Miller, supported by Tony Lloyd, Mr. George Howarth, Margaret Moran, Mr. Dennis Skinner, Mr. Andrew Smith, Mrs. Ann Cryer, Alun Michael, Mr. Kevan Jones, Ms Dawn Butler, Ben Chapman and Ann Clwyd, presented a Bill to provide for the protection of temporary and agency workers; to require the principle of equal treatment to be applied to temporary and agency workers; to make provision about the enforcement of rights of temporary and agency workers; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 22 February, and to be printed [Bill 27].

British Board of Film Classification (Accountability to Parliament and Appeals)

Mr. Julian Brazier, supported by Mr. John Gummer, Keith Vaz, Miss Ann Widdecombe, Mr. Jim Hood, Stephen Pound, Mr. John Hayes, Mr. Lindsay Hoyle, Mrs. Nadine Dorries, Jim Dobbin, Mr. David Burrowes and Mr. Greg Hands, presented a Bill to make provision for parliamentary scrutiny of senior appointments to the British Board of Film Classification and of guidelines produced by it; to establish a body with powers to hear appeals against the release of videos and DVDs and the classification of works in prescribed circumstances; to make provision about penalties for the distribution of illegal works; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 29 February, and to be printed [Bill 16].

Private Equity (Transfer of Undertakings and Protection of Employment)

Mr. John Heppell, supported by Mr. Anthony Wright, Mr. Tom Clarke, Mr. David Clelland, Mr. Frank Doran, Mr. Robert Flello, Mr. Fraser Kemp, Shona McIsaac, Mr. Michael Clapham, Ms Dari Taylor, Janet Anderson and Rosemary McKenna, presented a Bill to extend the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 to the acquisition and disposal of substantial shareholdings by private equity companies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 7 March, and to be printed [Bill 28].

Animals Act 1971 (Amendment)

Mr. Stephen Crabb, supported by Daniel Kawczynski, Mr. Roger Williams, Mr. Richard Benyon, Mr. Laurence Robertson, Mr. Edward O'Hara, Kate Hoey, Mr. David Drew, Mr. Elfyn Llwyd, Tim Farron and Barry Gardiner, presented a Bill to amend the Animals Act 1971 to limit strict liability for damage done by animals: And the same was read the First time; and ordered to be read a Second time on Friday 14 March, and to be printed [Bill 18].

Food Products (Marketing to Children)

Nigel Griffiths, supported by Mary Creagh, Mr. David Amess, Mr. Brian H. Donohoe, Andrew George, Bob Spink and Stephen Williams, presented a Bill to make provision about the advertising, marketing and promotion of food and drink products to children; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 April, and to be printed [Bill 19].

Environmental Protection (Transfers at Sea)

Mark Lazarowicz, supported by Mr. David Anderson, Derek Conway, Nigel Griffiths, Mr. David Hamilton, Mr. John MacDougall, Anne Moffat, Bob Spink, Dr. Gavin Strang, Mr. Mike Weir and John Barrett, presented a Bill to make provision about transfers of cargo at sea; to provide for environmental safeguards in relation to such transfers; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 January, and to be printed [Bill 20].

Health and Safety (Offences)

Keith Hill presented a Bill to revise the mode of trial and maximum penalties applicable to certain offences relating to health and safety: And the same was read the First time; and ordered to be read a Second time on Friday 1 February, and to be printed. Explanatory notes to be printed [Bill 29].

Energy Saving (Daylight)

Mr. Tim Yeo, supported by Peter Bottomley, Sir John Butterfill, Mr. David Chaytor, Mr. David Heathcoat-Amory, Mr. David Kidney, Mr. Robert Marshall-Andrews, Lembit Opik, Richard Ottaway, Dr. Desmond Turner, Mr. John Whittingdale and Sir George Young, presented a Bill to advance time by one hour throughout the year to create lighter evenings, for an experimental period; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 7 March, and to be printed [Bill 21].

Voting Age (Reduction)

Julie Morgan, supported by Natascha Engel, Jo Swinson, Roger Berry, John Bercow, Dr. Alan Whitehead, Jenny Willott, Mrs. Betty Williams, Peter Bottomley, Dr. Phyllis Starkey, Hywel Williams and Ms Katy Clark, presented a Bill to reduce the voting age for parliamentary and other elections to 16 years: And the same was read the First time; and ordered to be read a Second time on Friday 6 June, and to be printed [Bill 22].

Fixed Term Parliaments

David Howarth, supported by Mr. David Heath, Simon Hughes, Chris Huhne, Danny Alexander, Lynne Featherstone, Mr. Nick Clegg, Mr. Paul Burstow, Paul Rowen, Mr. Graham Allen and Mr. Peter Bone, presented a Bill to fix the date of the next general election and all subsequent elections; to forbid the dissolution of Parliament otherwise than in accordance with this Act; to allow the House of Commons to change the day of the week on which a general election is held; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 16 May, and to be printed [Bill 30].

Forces Widows' Pensions (Equality of Treatment)

Mr. Michael Mates, supported by Mr. Bruce George, Sir Menzies Campbell, Patrick Mercer, Mr. Michael Clapham, Nick Harvey, Peter Viggers, Derek Conway, Simon Hughes and Sir Michael Spicer, presented a Bill to provide for the equal treatment of Forces widows' pensions in respect of retirement from military service for the periods before 1973 and between 1973 and 2005; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 1 February, and to be printed [Bill 31].

Leasehold Reform

Simon Hughes, supported by John Hemming, Mr. Nick Clegg, Greg Mulholland, Paul Rowen, Mr. Mike Hancock, Mark Hunter, Stephen Williams, Andrew Stunell, Paul Holmes, Bob Russell and Lynn Featherstone, presented a Bill to amend the law relating to long leaseholders; to confer further powers on leaseholders; to make provision in relation to leaseholders in local council owned property and property owned by other social landlords; to confer powers on landlords to create sinking funds; to make requirements of landlords relating to the management of property; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 22 February, and to be printed [Bill 32].

Borough Freedom

Derek Conway, supported by Mr. Graham Allen, Janet Anderson, Mr. Julian Brazier, Mr. Simon Burns, Mr. David Clelland, Mr. Andrew Dismore, Mr. Roger Gale, Daniel Kawczynski, Mr. Adrian Sanders, Mr. Keith Simpson and Mrs. Betty Williams, presented a Bill to enable rights of admission to the freedom of cities or towns to be extended to women; to enable other amendments relating to admission to be made; to confer powers to admit persons as honorary freemen of certain places in the Confederation of the Cinque Ports; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 1 February, and to be printed [Bill 23].

Sound Recordings (Copyright Term Extension)

Pete Wishart, supported by Mr. Ian Cawsey, Mr. Mark Field, Sandra Gidley, John Robertson, Rosemary McKenna, Adam Price, Mr. Greg Knight, John Hemming, Stewart Hosie, Kelvin Hopkins and Janet Anderson, presented a Bill to extend beyond 50 years the copyright term of sound recordings; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 7 March, and to be printed [Bill 33].

Environmental Protection (Airports)

Justine Greening, supported by Mr. David Evennett, Mr. Nick Hurd, Adam Afriyie, Mr. John Randall, Mr. Edward Garnier, John McDonnell, David Taylor, Susan Kramer, Dr. Vincent Cable, Mr. Mark Prisk and Mr. Greg Hands, presented a Bill to promote the protection of the environment near airports; to establish a body to monitor the environmental impact of airports and to report on levels of pollution; to confer certain powers on that body; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 March, and to be printed [Bill 34].

Public Sector Buildings (Energy Performance)

Anne Snelgrove, supported by Lyn Brown, Colin Challen, Mr. Elliot Morley, Mr. John Gummer, Andrew Gwynne, Mrs. John Humble, David Howarth, Martin Horwood, Mr. Michael Meacher, Mr. Tim Yeo and Dr. Alan Whitehead, presented a Bill to make further provision about energy efficiency and microgeneration in public sector buildings; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 April, and to be printed [Bill 35].

Foreign Nationals (Statistics)

Mr. William Cash, supported by Mr. Frank Field, Nick Harvey, Sir John Butterfill, Mr. Desmond Swayne, Mr. Richard Shepherd, Mr. Edward Leigh, Mr. Lindsay Hoyle, Mr. Bernard Jenkin, Mr. Michael Fallon, Mr. John Whittingdale and Mr. Tom Clarke, presented a Bill to establish a requirement on local authorities to transfer certain statistics relating to nationality to the Office for National Statistics; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 9 May, and to be printed [Bill 36].

Disqualification from Parliament (Taxation Status)

Mr. Gordon Prentice, supported by Paul Flynn, Kelvin Hopkins, David Heyes, Ms Katy Clark, Dr. Richard Taylor, Dr. Gavin Strang, Lynne Jones, Dr. Ian Gibson, Clive Efford and Andrew Mackinlay , presented a Bill to make provision for disqualification from membership of the House of Commons and the House of Lords on grounds relating to residence and domicile for taxation purposes; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 January, and to be printed [Bill 24].

ESTIMATES DAY

[1st Allotted Day]

SUPPLEMENTARY ESTIMATES, 2007-08

Cabinet Office

Standards of Conduct in Public Life

[Relevant documents: Fourth Report from the Select Committee on Public Administration, Session 2006-07, HC 121-I, on Ethics and Standards: The Regulation of Conduct in Public Life, and the Government's response, First Special Report, Session 2007-08 HC 88.]

Motion made, and Question proposed,

That, for the year ending with 31st March 2008, for expenditure by the Cabinet Office—

(1) the resources authorised for use be reduced by £10,596,000, as set out in HC 29,

(2) the sum authorised for issue out of the Consolidated Fund be reduced by £2,938,000 as so set out, and

(3) limits as so set out be set on appropriations in aid.—*[Siobhain McDonagh.]*

2.6 pm

Dr. Tony Wright (Cannock Chase) (Lab): It is a great pleasure to introduce this debate on some of the work of the Public Administration Committee, and in particular its work on "Ethics and Standards: The Regulation of Conduct in Public Life". I was going to say that this is a timely debate, but I could have said that at almost any point in the recent past.

I wish to begin by paying a most sincere tribute to my fellow Committee members. They are an outstanding collection of people. I have been privileged to have a number of them as members of the Committee for some time, and then for it to have been refreshed by some excellent new arrivals. I am sure that the Committee has built up a collective spirit and a way of operating that has contributed greatly to its work. I also pay tribute to the Committee's excellent staff, particularly our departing Clerk, Eve Samson, who managed to keep us on the straight and narrow in our dealings with Scotland Yard in the past year or so, which was not always entirely easy. We had a party for her last night, and I hope that Eve was feeling all right this morning.

The PAC's work concerns itself with the conduct of government in a general sense, and it is worth reminding ourselves that that concern has two main aspects, and that it always has done. We can go back 150 years to the famous Northcote-Trevelyan reforms, which reformed the civil service and put it on its modern basis of appointment by merit. The importance of the Northcote-Trevelyan reforms was that they concerned themselves with the proper conduct of government in two senses. One sense was propriety—that patronage was wrong. The other was that patronage was inefficient—that it produced an inefficient state. Therefore, the Committee has always concerned itself with those two elements of what the proper conduct of government is: the more narrowly defined issue of propriety, and the more general issue of effectiveness and efficiency. That is consistent with the traditions of public service reform that began in the 19th century on the back of Northcote-Trevelyan, the foundation of the system associated with the Comptroller and Auditor General, and the civil service commissioners. Those are the great 19th century reforms that we have built on in our own times.

The Committee's recent work has ranged widely over the conduct of government in the sense of propriety—I shall leave aside the question of efficiency and effectiveness for the moment. We have concerned ourselves with the need for a Bill to bring the civil service into statute, and I am delighted that we are finally to get that. The Committee is unique in having vented its frustration at not getting such a Bill by drafting one itself and showing the Government how it could be done. I believe that this is the first time that that has happened in the modern period, but I am sure that it helped the Government to frame their thoughts, and I am glad that the Bill is to be included in the constitutional reform legislation.

The Committee has examined, and said things about, the constitutional relationship between Ministers and civil servants. We have examined prerogative powers and suggested reforms in that area—indeed, such reforms will be in the constitutional reform Bill. It is almost as though someone in government has discovered our back catalogue. We are delighted about that, because we labour on these issues year in, year out, thinking that no one takes much notice of what we are doing, but suddenly people discover the corpus of our work and we find that much of it is to be translated into legislation. This is an exciting time for us.

The Committee has examined the ministerial code and has called for an independent investigator under it. We can claim to be the people who got the code changed to insist that announcements should be made in Parliament first—that is important. We have examined the role of special advisers and made recommendations. We have reformed the honours system. We have considered the system of business appointments—indeed, we have reformed the House of Lords.

Mr. Andrew Love (Edmonton) (Lab/Co-op): More!

Dr. Wright: If only the rest of the world would catch up with us. The Committee has examined, and recommended reforms to, the system of public appointments. We have examined the balance of interests in the publication of memoirs and made the most important and significant contribution to that matter since Lord Radcliffe examined it a generation or so ago. We are about to produce a report on propriety and peerages in the wake of the Scotland Yard investigation into cash for peerages, and we have just embarked on an inquiry into lobbying. It is clear that the Committee has a consistent track record of examining the propriety side of government in a constructive way that is designed to improve the system and to make recommendations that can be acted upon.

I must confess that the Committee is also probably responsible for some delay in the Government's appointing a new chair of the Committee on Standards in Public Life, because they knew that we were about to produce a report on ethics and standards, including a review of that Committee, and I think that they probably thought that we were going to recommend single, non-renewable terms. That might partly explain a delay in the appointment.

The Parliamentary Secretary to the Cabinet Office (Gillian Merron): I thank my hon. Friend for his explanation to the House. It might help him, the Committee and the House if I were to announce that the Prime Minister has appointed Sir Christopher Kelly as Chair of the Committee on Standards in Public Life. I am sure that my hon. Friend will be glad to know that that follows a recommendation by his Committee that the appointment should be for a single, fixed term of five years. I am sure that he will also be glad that the appointment process was regulated by the Commissioner for Public Appointments.

Dr. Wright: It is good to have that announcement. My Committee did not recommend a particular nominee, but I am sure that the appointment is an excellent one. We did recommend that all jobs of this kind—ethical regulators—should have single, non-renewable terms. That removes the silliness about whether people should be renewed in such jobs.

This whole area is necessarily sensitive, and it can be difficult for us. I remember thinking about that soon after I joined the House in 1992. I foolishly took part in a debate on Members' travel allowances. At that time, the system was that Members who had larger cars received larger allowances, and that seemed silly to me. When I joined the House, various Members at the time recommended that I buy a Ford Sierra diesel—it was called the MP's car because it had a huge engine and, as a diesel, did huge mileage. I did not buy a car, but I noted the suggestion. Even back in the early 1990s, I thought that rewarding people for driving the largest cars was not sensible, so I made the mistake of saying in the debate that I had been given that recommendation, that I did not think it made a lot of sense and that we should surely have a different kind of remuneration system. A Labour colleague, who is now a senior Member of the House, came up to me afterwards, looked me in the eye and said, "You know, you will never be forgiven for what you have just said." He may have been right—I may have never been forgiven for what I said—but at that point I learned that these are sensitive areas where one has to tread carefully.

I also vividly remember the day when John Major, who had his back to the wall and was engulfed by sleaze allegations, announced that he was setting up the Committee on Standards in Public Life and that it would sit on a permanent basis—it was never going to go away. I remember being in the taxi queue down at the Members' entrance that night, where there was a little collection of Conservative Members, one of whom was spitting blood about the announcement and saying, "Life will never be the same again, because someone is going to poke around into our affairs and identify all the ways in which Members are working for outside interests and do something about it." That was not going to be done in the usual way of inquiries, whereby they sit for a few months and then go away. This Committee was not going to go away; it was going to keep coming back to issues time and again to ensure that we put our political system in some kind of order. Those two examples remind us that these are difficult matters.

My proposition is that we all should share a commitment to high standards in public life—that should be a given across Parliament and across parties. We know that such a commitment is crucial in maintaining public confidence, but it is also crucial in its own right, because it is what we would expect of our political system. On the whole, our system does reflect a commitment to high standards. We do not have the kinds of corruption that are seen in some other political systems. If one were to look historically—at where we have come from—one would find that things are much better now. Comparatively—where we sit in relation to other countries—we also do rather well. In terms of the hard definition of corruption, which is the use and abuse of public office for private gain, our system does exceptionally well. Even when there are lapses, as sometimes happens, they are usually lapses for party gain, rather than for personal gain. That is not to be recommended, but such lapses are not corruption in its core sense. They happened for a period in the 1990s, but only in very small measure and at the margins.

The problem is that the reality is, in some ways, less important than perceptions. There is a perception, fed by certain sections of the media in particular, that public life in this country is corrupt, and that it is a moral sewer or cesspit. That perception is poured out each day and it is thus unsurprising that some people think it is true. We should consider the judgment of Sir Hayden Phillips, who has been conducting the review into the funding of political parties. He said in his interim report that

"when compared to other jurisdictions, the British political system, taken as a whole, has been remarkably free of abuse".

That judgment was also made by the very first report by the Committee on Standards in Public Life, and, on the whole it is correct.

Kelvin Hopkins (Luton, North) (Lab): I agree with what my hon. Friend has been saying, and I congratulate him on his speech. Does he agree that constantly making reference to the relative performance, both historically and internationally, of British politics compared with others is not enough? Does he agree that we need some kind of absolute standards, and we need to say, "We are going to aim at that"? We should not just say that we are not as bad as other people.

Dr. Wright: Of course we have to have standards of our own that we believe in and want to see enforced. I was just seeking to point out the need to take a step backwards from the daily headlines. Some people want to persuade the great British public that our political system is corrupt. I do not believe that it is corrupt, and we are entitled to say that. However, that is not to say that we should not be eternally vigilant. We should not be complacent and there are issues that require attention, but on the central judgment we are entitled to say that the historical evidence and the comparative evidence suggest that we do not do too badly.

These are matters of culture and structure, and it is important that we get both right. Our Committee went on a visit to Finland as part of its inquiries because that country usually comes at or near the top in league tables of good governance and lack of corruption. In structural terms, we would find much of the Finnish system unacceptable—for example, the way in which senior civil servants are appointed by politicians. Despite that, the Finnish system is wonderfully uncorrupt. The clue to that success was the remark by someone we met, who

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said that in Finland people only behave badly once. What he meant was that in the Finnish culture bad behaviour puts someone out of bounds. The society was so closed, tight and intimate that everyone knew if someone had behaved badly. In other words, the culture was sustaining the high standards. That is a reminder that structures matter but culture probably matters even more.

There is a danger that, in our preoccupation with seeking yet more structures and rules, we may end up substituting them for the culture that really matters most. We need both, and on the whole this country has been fortunate in having elements of both, not least because we have a civil service that is an in-built check on propriety in the system. It is no wonder that people still come from around the world—I know, because I meet them—to look at the British civil service as an example of independence, neutrality and propriety. I am sure that having such a system at the heart of government acts as permanent propriety check.

We want high standards for their own sake, not for other reasons. We say in our report that we should not have high standards just because we think that they will somehow restore trust in government—something with which we are much preoccupied now. In fact, the reverse may happen. Transparency is a wonderful thing and it is true, as is often said, that sunlight is the best disinfectant. However, it may illuminate areas that were previously unilluminated, and the more one illuminates areas, the more problems may be revealed. I suspect that no Member of Parliament particularly enjoys the annual ritual of the publication of Members' expenses, accompanied by newspaper reports about snouts in the trough without any explanation in the popular media of what we do with the money that we are paid. Does that transparency contribute to the development of trust? I doubt it. Indeed, it probably works in the other direction, although that is not to say that we should not do it. The point is that transparency of itself will not foster trust: it may work to make trust more difficult.

Our report documents in some detail the recent creation, especially in the past few years, of a considerable apparatus of ethical audit and regulation. We—I mean we generally, not in a party sense—have published and made more robust the ministerial code; we have produced a civil service code, and one for special advisers; we have set up a Parliamentary Commissioner for Standards; we have established an adviser on ministerial interests; we have set up the Electoral Commission; we have had a Freedom of Information Act, with an Information Commissioner; we have a House of Lords Appointments Commission to check for propriety; we have a commissioner for public appointments; and we have reformed the honours system.

It often goes unremarked that the previous Prime Minister removed himself completely from the honours system. He said that he would no longer add or subtract any names from the list given to him by the newly independent honours committees, but would pass them directly to the palace. That was a big moment in the evolution of such matters, but it was not widely noticed. I think that the present Prime Minister has said that he will do the same.

I have given quite a roll call of reforms and institutions that have been introduced in the past few years, designed to strengthen the propriety of our public affairs. Both major parties have had a role in that. I pay great tribute to John Major for setting up the Committee on Standards in Public Life in 1994. Yes, he did so against a background of sustained allegations of impropriety, but he did it nevertheless, and it was an important, bold and brave moment. His Government also set up the commissioner for public appointments to answer the charge of the politicisation of quango appointments.

When the Labour Government came to power in 1997, they took the process further. For example, the Major Government had said that they were not prepared to invite the Committee on Standards in Public Life to consider party funding. They would not include party funding in the committee's terms of reference, despite many requests. One of the first things that the Labour Government did in 1997 was to include party funding in the committee's terms of reference. That is why the committee produced its great report that led to the 2000 legislation and the commitment to transparency. It was thought at the time that that was the answer to the problem, but as I said a few moments ago, transparency is not necessarily the answer, because people do not always like what they see. Therefore, they want more to be done, which is what we are discussing now.

There is a paradox in the history I have given. We have had a huge explosion in the ethical regulation of government, but trust in government, and perceptions of trust in government, have gone in the opposite direction. That is an interesting conjunction. One might have expected the growth in ethical regulation to produce a growth in trust because all the unregulated areas of public life were now being regulated. That has not happened, which suggests that other factors are at work.

Mr. David Winnick (Walsall, North) (Lab): I apologise for not being in my place earlier in the debate. I agree with the changes that have been made, starting in 1994 for the reasons that my hon. Friend has outlined, and extended by the present Government. However, would he agree that we took a step backwards on 18 May, when the House of Commons passed by 96 to 25 votes the wretched private Member's Bill that would have exempted Parliament from the Freedom of Information Act? Fortunately, no one in the Lords would pursue it. Had that become law, we would have disgraced ourselves, because we would have said that freedom of information should apply to all other public bodies—and it should be extended to the private sector, too, as far as I am concerned—but not to Parliament. We were saved from ourselves by the other place.

Dr. Wright: I very much agree that that was not this House's finest hour. The Public Administration Committee was involved in examining the draft of the original Freedom of Information Bill, and we can claim to have made it rather more robust by the time it completed its parliamentary journey than it was when it started.

There are a number of explanations for the paradox surrounding the enormous growth in ethical regulation in recent years and the seeming further decline in public

trust in the system, but one should concern us directly. I am referring to the fact that it has become extremely attractive for one political party to attack the integrity of other parties. We have all discovered in recent times that there are enormous short-term political dividends in doing that: suggesting that our opponents are mired in sleaze plays to existing public perceptions, and brings huge political gains in the short term.

We on this side of the House played that card heavily in the 1990s, with some justice—although, in retrospect, that was exaggerated. Some things needed remedying, but we were wrong to suggest that the Major Government and most members of the parliamentary Conservative party were sleazebags. That was not true, but we found it extremely rewarding politically to say so.

Similarly, the Conservative party found that those attacks had been so damaging that it decided to start making equivalent charges as soon as possible after the new Labour Government came to power in 1997. As a result, the parties became involved in making mutual allegations and charges, with each saying, "You're sleazier than we are!" To which the answer always comes back, "Oh no we're not, you're much sleazier than we are!" That is how the slanging match begins, and some sections of the press love to reinforce it by telling readers every day how corrupt and sleazy we all are.

That is why I was disappointed to hear the Leader of the Opposition say last week that there were questions about the Prime Minister's integrity when it came to party funding. The right hon. Gentleman is entitled to attack the Prime Minister in all sorts of ways, but that was unfortunate. I do not think that there are any questions about the Prime Minister's integrity, although many questions can properly be asked about current matters. However, attacking our opponents' integrity has extremely damaging consequences for our political system and for the perception of public life.

We all have our little lists of scandals that we think that we can throw at opponents in other parties. That is what we do: I gather that there was a splendid debate yesterday when that was all that happened. The point is, though, that such an approach is based on a deception—the lie that our system is mired in sleaze and corruption. I do not believe that, but if that is what we are saying about our opponents, no wonder people in the outside world believe it to be true, and no wonder public confidence and trust evaporate. If we say such things about each other when we know them to be fundamentally untrue, no wonder public engagement in politics vanishes. By seeking advantage in making such accusations, in some measure we are responsible for the consequences that we bring about.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The hon. Gentleman is making a very powerful speech, but does he agree that the problem is that we are in an era of sound-bite politics, with too much interest shown in what the news bulletins at 12, 6 and 10 o'clock report? We need to break our slavish desire to keep in with the media at any cost, regardless of the background of what we say. Does he agree that Parliament and the media pander to each other in a relationship that means that we live in a world of our own creation?

Dr. Wright: I know the hon. Gentleman. He is a distinguished member of the Public Administration Committee, and I can tell the House that he panders to nobody. He is a person of ferocious independence—

Mr. Winnick: Is that allowed?

Dr. Wright: It is one of his great charms and attractions: it is probably not greatly welcomed by those on the Conservative Front Bench, but it is hugely welcomed by someone who is trying to run a cross-party committee. He does not pander to the media; he tries to tell it like it is, and that is what we all must do. Our responsibility is not to engage in a game that we know will be taken up by sections of the media because it feeds an existing agenda or an existing set of perceptions. We must say things that we think are true, even if that is not politically convenient to our side. If we do not do that, we will deserve everything we get—and we are getting quite a lot at the moment.

Kelvin Hopkins: I want to follow the point made by the hon. Member for Bridgwater (Mr. Liddell-Grainger), our colleague on the Public Administration Committee. It is said that Clement Attlee looked at newspapers only for the cricket results, which suggests that he had a healthy attitude to the news media. Does my hon. Friend agree that we might help our Prime Minister now by suggesting that he should worry less about what is on the front page and perhaps pursue something more harmless, such as the cricket?

Dr. Wright: I am grateful to my hon. Friend. I do not want to pay huge tributes to all the members of the Committee, but I am happy to pay tribute to him. I yield to no one in my admiration for Clement Attlee, of whom it was famously said that he would never use one word where none would do. He is the antidote to the age in which we live. Some say that he would not survive for a moment now, but I think that he would be a hero, cutting through all the spin-driven, media celebrity nonsense that drives so much of our modern public life.

Mr. Gordon Prentice (Pendle) (Lab): I may be anticipating a point that my hon. Friend is about to make, but does he agree that the ethical regulators who should be pronouncing on our conduct are simply not on the radar screens of people outside the House? That is the problem, and the result is that the public get their information from what happens in this Chamber. Should we not establish ethical regulators who talk loudly and are listened to?

Dr. Wright: Not for the first time, my hon. Friend anticipates a point that I was going to make. Indeed, much of life on the Public Administration Committee is taken up with him doing just that, and his contributions are always extremely valuable. I was coming to precisely that point—that it is not much good to have an elaborate system of ethical regulation if it does not have a voice, or if people do not know that it exists.

Following the report that we are discussing today, the Committee convened a seminar of all the ethical watchdogs. It was very interesting, but the consistent theme that emerged was that they all believed that they were lacking a champion. The spokesmen for the bodies involved all told us that they did not feel that anyone was there to champion all the good work being done. The fact that that is what we were told emphatically makes the point

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raised by my hon. Friend the Member for Pendle (Mr. Prentice), and it is something to which we must turn our attention.

At the heart of the Committee's interest, and its recommendations, is the fact that it robustly tries to seek solutions to the problems it identifies. That is its hallmark. The Committee is not complacent about standards and conduct, and tries always, in various ways, to strengthen the arrangements. In our report, we argue that the time has come to recognise explicitly that we have created a system of permanent ethical regulation. I have described an array of bodies: they are not here today and gone tomorrow; they are here to stay. As a political system, we have committed ourselves to having standing machinery to regulate conduct in public life.

The problem is that the bodies are often set up in an ad hoc way. In response to a passing crisis, what do we do? We set up a new body, a new commissioner or a new committee. That means that the complete network of such bodies lacks a coherent institutional design. We think it is time to remedy that. There is a rather important constitutional point: if we are serious about the permanent ethical regulation of public life we have to be serious about the status of the bodies that engage in it. The situation seems fundamentally unsatisfactory to us. Indeed, our report notes:

> "It is unsatisfactory for the ethical regulators created to regulate government to be appointed by government, and funded by government."

We have reached the point where we should express our commitment to the permanence of those bodies by putting them on a proper statutory foundation. Parliament wants to know that they are part of the permanent political landscape, so the Committee suggested the establishment of a public standards commission, which would be an umbrella organisation for the bodies that have been set up, and ensure that they all took a statutory form.

The Government have not said that they accept our argument, but they have not rejected it either. In their response to our report, they say they will think about the proposals. Given the fact that we have had a number of successes with the Government recently and they are taking a great interest in our previous recommendations, we have some hope that when the constitutional reform Bill is drafted—that omnibus piece of legislation—a place will be found to do something of the kind that we propose. It would provide an explicit constitutional commitment to ensuring that bodies charged with the regulation of public life are permanent, independent and not simply creatures of Government.

In fact, such bodies are not compromised in practice; they do excellent work and are robustly independent, but there is something unsatisfactory about their constitutional status and I think we can put that right. At the same time, we can give coherence to the system and perhaps answer the watchdogs' charge about the lack of a champion of their role in the overall system.

Stewart Hosie (Dundee, East) (SNP): I have read the report and was taken by the idea for a commission. In Scotland, we have various people—the Auditor General, the ombudsman, the Information Commissioner, the Children's Commissioner and others—who are all approved and appointed by Her Majesty on the nomination of Parliament. Why does the hon. Gentleman think that the commission model would be better than a system in which Parliament, as opposed to the Executive, makes the nominations?

Dr. Wright: We looked carefully at the Scottish model—indeed, we visited Scotland—and we were attracted by aspects of it, but as the hon. Gentleman knows, it is not entirely without difficulties. It is being reviewed even as we speak, and there are some radical recommendations for the regulatory system in Scotland. Our public standards commission would be set up by Parliament; it would be a parliamentary creation. It would report to Parliament and Parliament would be represented on it. The analogue is the Public Accounts Commission; thus a public standards commission would say that we are as serious about public standards as we are about the regulation of public money. That is the model we advocate, although I do not say that there is not more work to be done or that other models are not available. We need to take on board the essential constitutional point, and I hope that the Government, minded as they are to introduce a variety of measures in that field, will want to go down the road that we suggest.

Stewart Hosie: I should like to explore the hon. Gentleman's interesting proposal a little further. If the suggested commission were set up, would reports from the various bodies still be put before Parliament directly, or would they come via the commission? How would the mechanics of the commission work?

Dr. Wright: The answer is that the commission would report to Parliament in its turn. Parliament would be involved in setting it up, and all the matters of funding and appointment that flowed from that would go along the parliamentary route. It would be sensible for the Government to be represented on the commission, as they are on the Public Accounts Commission. The reports would come to this place, very much as the Committee that I chair receives reports from the parliamentary ombudsman and the Public Accounts Committee receives reports from the Comptroller and Auditor General. There would be an organic relationship with Parliament, but there would also be independence for the bodies concerned.

Greg Clark (Tunbridge Wells) (Con): The hon. Gentleman makes a compelling and most impressive case. His Committee clearly had some influence with the Government in the appointment of Sir Christopher Kelly. One of the Committee's recommendations was that the names proposed should be agreed by consultation among the parties. Does the hon. Gentleman know whether that particular aspect was taken up by the Government in that appointment?

Dr. Wright: I think the hon. Gentleman may be in a better position to answer that question than I am. I have no idea who was consulted. There is a convention and I hope it was followed in the recent appointment, as it is in certain other appointments. Perhaps my hon. Friend the Minister can tell us a little more about that when she speaks.

The House has choices. We can do what I have just recommended. The Committee was particularly concerned with Cabinet Office bodies, of which there are about half a dozen. It is not satisfactory that such bodies are ad hoc, or that they can be abolished at the whim of the Government. Whatever model we choose, it is right to put those bodies on a proper constitutional basis. That is one choice for the House and the Government.

There is another choice, too. As politicians and party members we have to decide whether we think that engaging in the politics of sleaze, by which I mean attacking the integrity of one's opponents, is so alluring and attractive, and brings such political dividends, that we would rather settle for that as a way of handling such matters—or whether we think that the time has come to state jointly, on both sides of the House, our determination not to engage in that kind of game, but to establish a system of regulation and a culture that will ensure that our public life is conducted, and continues to be conducted, to the highest possible standards. That is a real choice for the House, and for the way we do politics. I hope that the report will be a spur for the House to make the choice that I think it ought to make.

2.49 pm

Simon Hughes (North Southwark and Bermondsey) (LD): This is a welcome debate. I pay tribute to the hon. Member for Cannock Chase (Dr. Wright) and his Committee, which has done a particularly good job. It is an all-party Committee that consistently and regularly brings before us appropriate matters to consider. This report is an entirely good and appropriate thing to discuss. It is timely in the context of the wider debate about these matters, which has been precipitated by the recent allegations that were the core subject of yesterday's debate on party funding. These things are all part of the understanding of how the political process works.

I want to start with the formalities of the Committee's recommendations and the Government's response, because it is important to get on the record my view and that of my colleagues on these matters. I can summarise my view by saying that I agree with all the proposals in the report. It is welcome that the Government have accepted the large bulk of the recommendations in their response, which came out on 15 November. They have accepted that

"watchdogs should, in principle, have power to initiate their own inquiries into matters of specific or general concern."

They have agreed that

"ethical regulators need to be robustly and conspicuously independent, and the system of regulation needs to be proportionate and coherent."

They have accepted the recommendation that

"the cost of each Independent Office and the CSPL"—

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"be clearly indicated in Estimates and Accounts."

They also accepted the following recommendation:

"The most effective safeguard against concerns that regulators' independence may be influenced by a desire for reappointment is to provide for a reasonably lengthy single non-renewable term. In our view this term should not be more than seven years (nor less than five years)."

It is an indication of the Government's good will that the Minister intervened on the hon. Member for Cannock Chase to announce not just that the Government have agreed the appointment of the new chairman of the Committee on Standards in Public Life, but that he has been appointed for a fixed-term non-renewable period of five years. That is welcome. The Minister will expect me to say that it was not so welcome that the Government were not keen for the previous chairman to continue in office. Alistair Graham did an excellent job. We have to have a system in which the Government are not able to get angry or into a huff about such an important committee set up precisely to be a voice apart. The chairman should not find himself suddenly rubbished—I may be using slightly excessive language—by sources in Government, so that he is not able to continue in office.

I pay tribute to Alistair Graham and his team. I appeared before them and have given evidence to them. Nothing that I have seen or know suggests that they did not do their job entirely competently, professionally and with the best interests of the country at heart. I thank him and them for the work that went on under his chairmanship. I am only pleased that the interregnum has at last come to an end and we have a new chairman, and I wish him all the best in his five-year term. This is an important appointment, an important job and an important committee.

Kelvin Hopkins: I agree with what the hon. Gentleman is saying about Sir Alistair Graham. I, too, admire him and thought that he did a good job. He was precisely the kind of robust independent mind that the report recommended. Does the hon. Gentleman agree that the fact that the Government have accepted the Select Committee's recommendation about a robust independent chairman reflects the change in Prime Minister? It was the previous Prime Minister and his Government who found Sir Alistair Graham rather irritating and did not like him getting under their skin. Will the hon. Gentleman welcome the fact that the Government have now said that they want a robust and independent chairman? That marks a welcome change.

Simon Hughes: I accept that it was not the current Prime Minister who took the view about Alistair Graham. The current Prime Minister has indicated nothing to suggest that he is not willing to have people who are independent, robust and effective doing the job. I hope that that marks a sea change. In general terms, I welcome all the comments that the Prime Minister has made on such issues since he took office. Comments made in "The Governance of Britain" Green Paper, which was published just before the summer, and elsewhere suggest that he is determined to try to make sure not just that we, as a body politic and a set of public institutions, clean up our act where necessary, but that we are seen to do that. I do not doubt his integrity in that regard.

Sir George Young (North-West Hampshire) (Con): Before the hon. Gentleman gets carried away with his praise for the Prime Minister, will he recognise that the Prime Minister has not conceded to the ministerial adviser the right to initiate inquiries on his own account? The ministerial adviser has to wait for the Prime Minister to invite him to do so.

Simon Hughes: Absolutely—what I am saying is not unqualified. That is one of the specific things that has not been conceded, and one of the things in the

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Government's response that is wrong. There are other things that go much further that I hope the Prime Minister will do. Let me end my comments on the report's recommendations and the Government's response, and then I will pick up on one or two of the sorts of points that the right hon. Gentleman has just raised.

The next of the Committee's recommendations that I want to mention is:

"We think it inappropriate that any body fulfilling the remit of the CSPL...should be subsumed into a body consisting of those it may have to examine."

The Government made it clear that they accepted that recommendation without qualification.

Those were the good things—the positive steps forward—but there are still substantial areas where the Government have not yet come to a view. I hope that this debate will help them to come to the view that the Select Committee proposes. There are several significant areas. The hon. Member for Cannock Chase mentioned the recommendation that we need a new system to give all the ethical regulators independence from the cradle to the grave. We need to ensure that they are funded from Parliament, not Government, that they are appointed by Parliament, not Government, and that they are staffed by people appointed by the organisation itself, not civil servants—although people might be seconded from the civil service. There should be a collegiate structure for the bodies to make things clearer for the public, rather than confusing them. That is the right way in which these things should happen.

There should be accountability from Parliament and to Parliament, irrespective of the difficulty. I heard the intervention from north of the border that reminded us that that is what happens with the Scottish Parliament. There may be some difficulties, but I am not persuaded on the basis of anything I know that they are overwhelming. That must be the right principle. The response stated:

"The Government will give further consideration to the issues raised in these recommendations as part of its work to take forward the commitment in the Constitutional Reform Green Paper for legislation for the Civil Service."

I hope that that proceeds relatively quickly.

My next criticism of the Government is that we have had reform of the civil service and a civil service Act on the agenda since 1997, with repeated commitments that they were coming soon, but they still have not arrived. Unless the independent constitutional position of the civil service is upheld in statute, the confidence of the public will not be commanded in the way that it should be. Almost without exception, we have excellent civil servants, but their constitutional position needs to be safeguarded.

Another significant criticism that comes out of the recommendations was brought up by the right hon. Member for North-West Hampshire (Sir George Young) in his intervention. The recommendation in question is:

"We believe that all constitutional watchdogs should, in principle, have power to initiate their own inquiries into matters of specific or general concern. They should generally consult before doing so, as a matter of good practice, but the decision as to whether an inquiry is warranted should remain theirs alone."

Sadly, the Government have not bought that proposal yet. Their response simply says:

"The Government will consider this recommendation further in relation to work on legislation for the Civil Service...The Ministerial Code, published in July 2007, sets out arrangements whereby the Prime Minister may refer an allegation about a breach of the Code to the independent adviser on Ministers' interests."

If we are to have a system that is seen to be completely above party politics, there cannot be a block by the Prime Minister of the day. Where there has been such a block, it has brought discredit on the system, irrespective of the motive and the explanation for it. I am clear that the Committee's recommendations are right.

For completeness, let me add that I noticed that the Government ducked the issue on this recommendation:

"The normal rule should be that chairs and board members of key constitutional watchdogs should only be dismissed following a resolution of both Houses"—

a recommendation that I again support. The Government gave a response, but did not say what they thought of the proposal. I urge them to reconsider the matter and to come to the conclusion that the Committee reached.

My party, like all others, has regularly thought about the matters that we are discussing. We did so again this year formally through our internal processes. We considered reform of government and governance. We debated the issue at our conference in the early autumn and came up with various proposals. I want to say what they are, by way of a summary of where we are coming from, and then I will end with a couple of comments on the major issues of the day.

As time has passed and as experience has provided us with evidence, the Liberal Democrats have become absolutely clear on one point, and have argued it: the system of governance is much less corrupt than it was, and we have a very high standard, but many people in the press have more opportunity to have a go at the public service, the Administration or the establishment, and enjoy doing so. That makes good copy, but it undermines the whole system every time they do it. None the less, we clearly have further to go if we are to win the battle for the hearts and minds of the British people. I am not saying that the press is not right to seek to expose what goes wrong; of course it is right to do that. However, I fear that it has over-succeeded, giving the impression that there is very much wrong in the governance of Britain, whereas compared to those of other countries, whether or not those countries are like ours, our standards are still very high.

We Liberal Democrat Members absolutely believe that a written constitution would be helpful as part of a new constitutional settlement.

Mr. Douglas Carswell (Harwich) (Con): Hear, hear.

Simon Hughes: I may not get as much of a "Hear, hear" for my next proposition, but we will see how we go. We believe that until we have a representative Parliament, there will not be confidence in the political process. I am not arguing for a prescriptive form; I am saying that Parliament has to be representative of views expressed locally, regionally and nationally across the UK. We have to complete reform of the House of Lords, so that we have a modern second Chamber that is elected, or nearly wholly elected, by the people on whose behalf it does its job.

I will not go into the point at length, but as was said yesterday, we need further work on the funding of political parties, so that the many, not the few—ordinary people, who are the bulk of the electorate—are put in charge of the political process. I am talking about the low-paid and the unpaid, as opposed to the very well-paid or the very rich. In our book, that means capping the amount that a person can give over the political cycle of a Parliament, and the amount that they give in any particular year. As the Power report proposed, the electorate should be able to indicate that they wish some money to go to local parties—and not necessarily the party for which they vote. That way, if there is to be more public funding, it will be at the behest of the electors. They will be able to see where it is used, and to see that it is not lost in a system that spends a lot of money on adverts before a general election.

I am clear that the collective talks that have partly stalled must get back on the rails, with the Conservative party on board. We should finish negotiating on the trade union issues, although I understand that they are quite tricky. We will do the public no service if we continue to allow the arms race of expenditure on campaigning, particularly nationally, to increase. We need to have that public standard in our sights. The Americans deal with the issue badly; the result is dreadful, and it is almost normal for the advertising to be negative. It is rarely positive. We need to reverse that and go in the other direction, so a cap on the total that can be spent would be valid, too.

I want to pick up the challenge that the Chairman of the Public Administration Committee gave us, and respond positively in two ways. First—this view is not subscribed to by every member of my party; I am not speaking from a party brief—I have long thought that national advertising by political parties ought to be subject to the Advertising Standards Authority rules—that is, it ought to be decent, honest and truthful—and that there should be a penalty for any breaches, decided by an independent arbiter. I refer to national advertising only because the issue becomes too complicated at a local level. If we start on a national level, at least we will get somewhere. It seems to me that if we are telling everybody else that they have to tell the truth in what they advertise, we need to make sure that we do the same.

Secondly, in political party campaigning, there is frustrating inconsistency between what is said nationally and what is said locally. I am up for robust campaigning; in my constituency, we took on the Labour party and beat it. We have managed to see it off, by and large. It is a much smaller player than it was 20 or 25 years ago. The same is true of the Tories—well, they have not been much of a player for the past 50 years, but we have managed to keep them in that position. It is bizarre; the Government say in Parliament, often rightly, that crime has gone down, and they show all the indicators. They say the same thing in every Labour-held seat in the country, or in every seat where the local authority is Labour. However, where there is a Conservative, Liberal Democrat or independent council, or a joint administration that is not Labour, they frighten the hell out of people by making them think that crime is going through the roof, because they think that that is what should be done to win votes. Ministers try to wind up the local press and to get them to say that that is the case. We really must have an end to that double standard.

Stewart Hosie: I wish the world was as the hon. Gentleman describes it. Perhaps he could explain why I got a Liberal leaflet through the letterbox of my London flat entitled "Menzies Campbell's crime survey", about how crime had gone up when the Liberal Democrats were not in charge of the council. Does not every party do such things, or is it only some parties?

Simon Hughes: I am sure that we all do it. I do not remember that survey, but I am not pretending that anybody is immune from taking such actions. I am making the point that when people are in government, they have a chance to do something, and they tell us how wonderful things are, but they do not appear to reflect that locally. The hon. Member for Cannock Chase made the same point: we need to make sure that the messages given out in Parliament are relayed elsewhere, and that we do not spend our time being negative, but try to be positive.

Another issue on my agenda is the size of government and the relative amount of elected, as opposed to appointed, governance. The point came up yesterday, but as I feared, it did not get much attention, because of other matters. I have been given some figures, but I do not know whether they are completely accurate. Simon Jenkins recently said that at the turn of the previous century, in 1900, there were 1,200 elected representatives helping to run public services through councils and boards in London. Recently, the number was 2,000. On the other hand, there are 10,000 people in quangos. There has been a growth in the number of people appointed to do salaried jobs who are not elected by anybody.

Ultimately, public confidence is best ensured by people knowing that they can kick out those in charge. That is often one of the frustrations about hospitals. A hospital trust might do terrible things, but nothing can be done about it. That is important if we are to change the culture of standards in public life.

Kelvin Hopkins: The hon. Gentleman was hinting that he favours proportional representation or something like it to get a more representative Parliament. Is not one of the problems that people cannot make those choices? There might be a significant shift of opinion, and they could end up with the same pattern of parties forming a slightly different Government afterwards, but they cannot get rid of that Government. With our system, they can kick the Government out and put another in their place.

Simon Hughes: That is a real debate. I shall deal with the matter briefly, or you, Mr. Deputy Speaker, will bring me up for going down a byway of the debate.

There are two elements to a resolution of the issue. One is that the electors must know that locally they can hold their elected representative to account. That is why I personally have understood the arguments for a Jenkins report solution, which entails single member seats and top-up, rather than entirely multi-member seats. The second element is that although the present system often produces a majority in the House, even though the Government have not won anything like a majority of the public votes, that is a smaller advantage than a system that means that what people vote for is what they get. It does not mean that they will not get a strong

[Simon Hughes]

and stable Government, although it may mean that they will sometimes get coalition government—two parties having to work together—because that is what the electorate believe will produce a better outcome. I hope that that is an adequate answer for the time being.

On the smaller Government agenda, the more people think that public decisions are taken by the growing number of special advisers, the more unhelpful it is. We need to cut down relatively not just the whole size of Government—the number of Ministers and Parliamentary Private Secretaries—but the number of press officers and special advisers. The growth in their numbers is an unhealthy development.

Lastly, we must make sure that the situation on the other side of the coin is sustained. I thank the hon. Member for Walsall, North (Mr. Winnick) for his timely intervention. One of the real threats in the past year to the progress that we had been making, as we still are, occurred when a colleague put to the House a proposal that then had tacit support, if not more, from those on the Conservative and Labour Front Benches, to take this place out of the law on freedom of information that we had not long before agreed. People cannot be expected to have faith and confidence in public life if they are not allowed the access to information about our activity that we expect of all other public bodies, with the safeguards that already exist in legislation. I hope that we never again even contemplate going backwards with respect to the freedom of information legislation that we happily passed.

The report that led us here today is full of good proposals, and the Government have accepted most of them. We will achieve a system of good management and independent accountability in our public and political life only if they take seriously the big proposal calling for an independent system of regulators from top to bottom—regulators brought together in a way that looks coherent, and able to make their own decisions and not depend on a prime ministerial trigger. The age of patronage should be over. The age of the prime ministerial prerogative derived from the royal prerogative should be over.

It is Parliament, not the Executive, that should have the controlling authority in these matters. I am certain that when Government are willing to let that power transfer, the public will get a service, including a public service, in which they can have even more confidence, and that our reputation in the eyes of the voters will be slightly restored, and they will think that they are getting value for money in the process.

3.14 pm

Mr. Gordon Prentice (Pendle) (Lab): I shall pick up some of the points that have been made in contributions to the debate so far, before filling in some of the cracks in the picture that has been painted by my friend who chairs the Committee, the Member for Cannock Chase (Dr. Wright). By that I mean the details of the system that we are proposing and how it would work.

The Member for North Southwark and Bermondsey (Simon Hughes) made some astonishing statements—for example, when he suggested that political statements should be subject to some kind of Advertising Standards Authority test to ensure that they are decent, honest and truthful. That is bizarre. I wonder how the "Calamity Clegg" document would be scrutinised by such a body.

We have an independent Statistics Board, which was introduced by the present Government because we all recognise that we can have a great deal of debate which gets us nowhere if we do not accept the basis. We should have clean statistics that both sides are prepared to accept. That is why the Government established the Statistics Board, which is independent of Government.

My friend spoke about declining levels of trust in politics and politicians. I am not being prissy, but I hate to think what people outside made of our debate yesterday on party funding. I tried to intervene a couple of times, unsuccessfully. The image that would have been presented to people outside was appalling, but what is important for me is of no consequence for other Members in the Chamber.

For example, I think it is important that we clear up the business of tax exiles. I think it is fundamentally wrong that people who are not paying United Kingdom taxes should sit in the United Kingdom Parliament. That is the case at present. I am not talking about speculation about Lord Ashcroft. I am talking about Lord Laidlaw, a Conservative peer who gifted over £6 million to the Conservative party. This is all on the record. The House of Commons Appointments Commission has reported on it.

I think that that is completely unacceptable, but Conservative Members may not think so. They may get fired up about trade union affiliation to the Labour party. I may say to myself, "Well, the Labour party is a product of history. It is federal party. It grew organically from the trade unions," and I can explain that away. So we have a big clash of ideas and sometimes, like yesterday, it spins out of control and the House of Commons becomes a big growling bear pit.

Kelvin Hopkins: As so often, I agree entirely with my hon. Friend. Does he agree that the moneys collected in small amounts from trade unionists in an honest way and given as political donations is clean money, in a sense that money from Lord Ashcroft trying to buy whatever is not clean money?

Mr. Prentice: I am prepared to defend the trade union-Labour party link, but we are not talking about that today. We are talking about the report on ethics and standards.

David T.C. Davies (Monmouth) (Con): I am slightly surprised at the hon. Gentleman's comments. Is it not the case that Lord Ashcroft has done nothing illegal? Much of the debate yesterday focused on illegal payments, which are in an entirely different division from the perfectly legitimate ones that have been made by Lord Ashcroft and other patriotic British citizens.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope the hon. Member for Pendle (Mr. Prentice) will not be diverted down that route, as he just recognised what we are debating today. If we go into personalities, we shall veer off course badly.

Mr. Prentice: I follow your strictures as always, Mr. Deputy Speaker. I would say only that I could not get the information that I wanted about person X using parliamentary procedures and tabling parliamentary questions. It is bizarre that I, as a Member of Parliament, am forced to use the Freedom of Information Act to try to get the information that I require about person X. We wait to see what happens. I am expecting a reply to my information request in a few weeks.

The Committee's report was not about sleaze; we did not document sleaze or pinpoint individual instances of it. However, it is part of the background that we are having to cope with—the feeling that British politics and politicians are sleazy. As my friend the Member for Cannock Chase said, perhaps we have contributed to that.

I am sure that we all watched the three-part documentary on Tony Blair, the former Prime Minister. While reviewing his time in office, he said—I am just paraphrasing—that, on reflection, he regretted making such a big deal about sleaze in the mid-1990s. It was not, as my friend said, that there were not things to complain about. However, in the campaign to become the Government, I remember well that not a day passed without the Labour party banging the drum about how sleazy the Conservatives were. Tony Blair regrets that now; I regret it too, I suppose, because it is contaminating our politics and bringing us all down. It does not do us or the system any good if people look at the House of Commons and the British Parliament and dismiss us as sleazy. We are not.

Mr. Winnick: I did not agree with Tony Blair and, rarely for me, I do not agree with my hon. Friend. Surely we were right to take up the exposure of the corruption that was taking place under the Tories—payment for questions, brown envelopes and the rest of it. I am a frequent critic of the media, who are criticising our side at the moment, but I believe that *The Sunday Times*, for example, did a public service in exposing payment for questions. I said so at the time.

Mr. Prentice: I do not want to dwell on the issue; I have said what I wanted to say. My friend the Member for Cannock Chase talked about transparency, and I suppose that sunlight is the best disinfectant for all such matters, as he said. However, we also need ethical regulators that people listen to, and for those regulators to report to Parliament, not to the Executive. People who serve in such regulators should not be appointed by the Prime Minister of the day, but by an independent, arm's length body; we have suggested the public service commission. Those people could report through that commission to Parliament. That is the way forward.

I want to say one or two words about the inquiry that produced the report. When we started our work on the issue, it was a revelation to me to see the constellation of organisations involved in ethical regulation. There are a huge number, ranging from the really big ones, such as the National Audit Office, whose budget is £65 million, to the little minnows such as the Advisory Committee on Business Appointments, which costs us about £200,000 a year. There are other organisations that we did not consider but are worth mentioning, such as the Information Commission and the Electoral Commission. The parliamentary ombudsman reports to our Committee anyway. There is also the Parliamentary Commissioner for Standards, whose job is to regulate standards in this place.

A huge number of ethical regulators had grown up, and there was no coherence. However, we had to start somewhere. In our report, we considered the ethical regulators that are sponsored by the Cabinet Office and whose existence is not set out in legislation. We considered the role of the commissioner for public appointments, the Civil Service Commission, the House of Lords Appointments Commission, the Advisory Committee on Business Appointments, which I have mentioned, and the Committee on Standards in Public Life.

I should like to say a little about that latter committee. Sir Alistair Graham, now retired, took his job very seriously and was always on the front pages of the newspapers, berating the Government for some transgression, misdemeanour or slip-up. He was always on "Newsnight". In his final report, he told us that

> "My greatest regret has been the apparent failure to persuade this Government to place high ethical standards at the heart of its thinking and, most importantly, behaviour."

That is what the chairman of the Committee on Standards in Public Life thought—it was a hugely serious charge. I think that I speak for all members of the Select Committee in saying that we were astonished that in all his years as chairman of the Committee on Standards in Public Life, he did not formally ask to see the Prime Minister, Tony Blair, to discuss those matters of concern. It was bizarre. I hope and expect that if the new chairman, who has just been appointed, has problems or reservations about the ethical standards pursued by the Labour Government, he will make an appointment to see the Prime Minister to talk about it, rather than rush into public print.

David Heyes (Ashton-under-Lyne) (Lab): When the chairman appeared before the Select Committee, he was operating under a 40 per cent. budget cut, which has been going on for some time. He was filling in staffing gaps by borrowing people from the Cabinet Office. I wonder to what extent my hon. Friend thinks that his reluctance to approach the Prime Minister, or raise concerns about the ability to operate, were connected with that dependence on the Cabinet Office to resource his activities.

Mr. Prentice: That brings me neatly to a point that I was going to make later. It is all very well for the Government to say—I think that they say it in their response to the Select Committee report—that the ethical regulators are independent. However, if the Government of the day can cut the budget by 40 per cent. or 50 per cent., the idea of independence becomes fanciful. That is why we propose that the ethical regulator should be set up at arm's length from the Government and that the responsibility for its funding, starting and operation should be given to the public standards commission—the arm's length body that would report to Parliament.

I should like to spend a couple of minutes on the key recommendations of our report; my friend the Member for Cannock Chase has alluded to them already. We believe that the ethical regulators should be permanent.

[Mr. Gordon Prentice]

They should not be able to be abolished by ministerial fiat, and there should be no going back to the position of the Government being able to decide on a whim that they want to abolish a regulator. The Minister could tell the House this afternoon that the House of Lords Appointments Commission or the Civil Service Commission were going to be abolished. Any of those bodies, which were set up not by statute but by the Prime Minister under prerogative powers, can be abolished. That is wrong—they should be set up on a statutory basis. I welcome the fact that we are going to have a civil service Act, but what a dance of the seven veils we have had over it. In July 1998, the Government said on the record for the first time that we would get such an Act, and 10 years later we just might—I hope so. The second and third characteristics of the regulator should be neutrality and independence. It cannot be right that bodies that regulate the Government in some way are accountable to the Government, and that should change.

On the Government's response to our report, it is a big step forward for them to accede to our recommendation that constitutional watchdogs should have single non-renewable terms—that is self-evidently the right thing to do—but many of their other responses are opaque.

It is not clear what will end up in the constitutional renewal Bill, but it is a big opportunity for the Government to look closely at how the ethical landscape can be reshaped. The Committee has made one proposal; there may be others. The system should be put into a legislative form, and the opportunity to do that will occur when the Bill is introduced early next year.

3.30 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for Pendle (Mr. Prentice). I agree with him that sleaze should not be the currency in which Members of Parliament trade.

Today's debate is a much more constructive and calm discussion of standards in public life than the one that we had yesterday, and for that reason it will doubtless have much less coverage. I pay tribute to the hon. Member for Cannock Chase (Dr. Wright), not only for this report but for the heroic way in which he has ventured on to a whole lot of territories from which he might have been discouraged by the Government. At the beginning of his speech, he gave an indication of what might have been when he said that as a junior Back Bencher he made an injudicious speech about the mileage allowance that could have led him to fall out of favour with the Whips. Had it not been for that incident, he might now be at the Dispatch Box taking credit for a whole range of innovative and radical constitutional reforms that he still has to advocate from the Back Benches.

The report is unusual because it deals with abstract issues such as ethics, which are difficult to define and rather intangible, and various principles, structures and concepts. This debate therefore takes place on a somewhat different plane from many debates in the House. That does not excuse a rather thin and very belated Government response that ducks some of the major issues raised in the report.

Let me begin by confirming what was stated by the hon. Member for Cannock Chase, by the Lord Chancellor yesterday, and in the report: our standards of conduct in this country are generally high. As Chairman of the Standards and Privileges Committee, I spend a lot of time talking to visiting parliamentarians, who are amazed at the high standards that we set ourselves and the procedures that are in place to monitor them. In many countries, MPs have immunity from prosecution. We do not have that, nor should we, but on top of the criminal system we have superimposed a ministerial code and the House of Commons code, breaches of which can lead to career-ending decisions. While we should of course always strive to do better, I believe that our politics here are cleaner than almost anywhere else.

Let me say a word or two about the Committee on Standards in Public Life. On 25 April, Sir Alistair Graham's appointment ran out. No Chairman has been reappointed for a second three-year term, so the Government knew well in advance that there would be a vacancy in April. The hon. Member for Cannock Chase heroically said that he might be responsible for the delay because the Government were hoping that his report might recommend abolition. I am not sure about that, given that his report was published on 29 April and it was only today that an appointment was announced. Indeed, the Government did not advertise the vacancy until October. It is difficult to avoid the conclusion that that body is being penalised for having had, in Sir Alistair Graham, an outspoken Chairman who was sometimes inconvenient for the Government.

It is important to have a Chairman, and I welcome the appointment of Chris Kelly, who worked in the Treasury when I was there. That is a very good appointment, and I applaud it. We need a new Chairman to focus on exactly what the Committee's role should be. It is difficult, against the background of today's controversies, to argue that the mission of the Committee on Standards in Public Life has been achieved and that there is no role for it. However, when we look at some of its recent activities, it is difficult to see how it envisages its mission. We need a new Chairman and a new focus, which underlines the point made in the report about the appointment being in the hands of the Government. They have the capacity to weaken the ethical regulator simply by delaying an appointment, as has happened in this case. If Parliament had been in charge, as proposed by the Select Committee, that would not have happened.

In passing, I would like to mention the constitutional watchdog about which I get the most complaints, the Standards Board for England. There is a passing reference to it in paragraphs 21 and 29 of the report. It is not quite clear who reviews that body—the Public Administration Committee or the Select Committee on Communities and Local Government—nor how it fits into the proposed structure, but someone needs to get a grip on it so that it is more focused and effective, and does not drive all my parish councillors into a rage.

I want to make one point only in my contribution, which concerns the relationship between the Prime Minister and the adviser on ministerial interests. The hon. Member for Pendle spoke of the dance of the seven veils, and that is what has happened in the dialogue between the Public Administration Committee and the Committee on Standards in Public Life on the one hand, and, on the other hand, this Prime Minister and the previous one.

By way of background, the behaviour of Ministers is just as much in the limelight as that of MPs, so enforcement of the ministerial code should be as robust as it is for the MPs' code, but it is not. Three years after the CSPL recommended it in 2003, in March 2006, Tony Blair took off one veil and appointed an independent adviser on Ministers' interests. That followed the row about loans not declared to the Electoral Commission. Another veil came off a bit later when Tony Blair, who resisted the appointment of an investigator into alleged breaches of the ministerial code, finally conceded that point. But having conceded the principle, he did not make the appointment until some time later. Having made the appointment, he never asked the adviser to investigate any breaches of the code, although there have been, to put it mildly, a number of opportunities to do so.

I welcome the appointment of Sir Philip Mawer as the new adviser on ministerial interests—another inspired appointment—but there is still a serious and indefensible gap. His terms of reference permit him to establish the facts in certain cases concerning the ministerial code and provide private advice to the Prime Minister, but he can do so only if the Prime Minister invites him to. The design principles for a constitutional watchdog in the report make it clear that the ground rules for the ministerial code watchdog are seriously non-compliant with the report's recommendations. He does not have the freedom to initiate his own inquiries; he is not appointed by the House; he does not have secure funding arrangements beyond the control of the Executive; and he does not have a secure legal foundation. In those four respects, it is a non-compliant appointment. Crucially, he does not have the right to publish his report when he makes an investigation.

The new Prime Minister could have taken a trick, by acceding, in the Green Paper "The Governance of Britain", to all of the recommendations in the report. But he did not. Paragraph 121 of "The Governance of Britain" makes it quite clear that the adviser can act only on the Prime Minister's request. Therefore, the regime we have for enforcing the ministerial code is much weaker than the one we have for MPs, and I see no reason why the Government should have a weaker and less effective regime than we in this House do. We have a Parliamentary Commissioner For Standards who can initiate his own inquiries if he thinks that there has been a breach; his report is always published; and he is appointed by the House for a single, non-renewable term. I hope that when the Parliamentary Secretary replies, she will say that there is some room for manoeuvre, and that as the years roll by, some more veils may come off.

I disagree with the report's suggestion that all the decisions should be subject to judicial review. Making the decisions of the ethical watchdogs subject to the courts and judicial review is a recipe for disaster. If the Select Committee has a moment, it might like to consider the output of the democracy taskforce, which my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) chairs. It has produced a readable document entitled "An End to Sofa Government", which has some exciting comments to make about the ministerial code and how it might be enforced.

The authority of Government and the perception of their integrity is weakened if they continue to fail to respond positively to the recommendations of the Committee on Standards in Public Life and the Public Administration Committee.

3.40 pm

Kelvin Hopkins (Luton, North) (Lab): We have heard many excellent speeches, notably that of my hon. Friend the Member for Cannock Chase (Dr. Wright), who chairs our Committee. He generously praised not only the members of the Committee but the staff, and I entirely concur. However, he could not mention himself, so let me say that he is exceptional, even among Select Committee Chairs. Although we sometimes disagree about issues, I defer to his skill and energy and his commitment to the Committee and its work. Serving on the Committee has been the most worthwhile, interesting and significant work that I have done in my 10 years in Parliament. That probably reflects the views of many other Committee members.

I hope that I will not upset my hon. Friend by mentioning Plato, which I do from time to time, again. Plato saw the dangers of linking money and politics 2,500 years ago. He suggested that those who governed—the guardians, the philosopher rulers—should be men of gold, entirely separate from money. They should be there merely to enjoy the pleasure of good governance. He said that the civil servants should be men—they were always men, unfortunately, not people—of silver, and that the moneyed people, the merchants, should be men of bronze, very much in third place. I believe that that is where we should keep the moneyed people—they should not govern or be in power. The dangers were therefore recognised a long time ago, and we should remind ourselves that they are not new.

Public trust has decreased. That is partly to do with our attacks on each other and partly to do with the media, but we could do things to regain that trust. Our report contains a graph of the collapse of public trust from a high point in 1987, when 47 per cent. of the population said that they always or mostly trusted the Government, to 26 per cent. in 2005. Public trust halved in that time. It fluctuates between elections, but at each election it is lower than it was at the one before. Even in 1997, when we believed that there was a great renewal, with the Camelot of Tony Blair, and that somehow everything would be all right, it was not. Turnout, too, has been affected.

I believe that people have become confused about and disappointed in politics, not only because some hon. Members and some members of the Government have not always behaved well with money, but through disillusionment in politics. Research by Professor John Curtice and others shows a correlation between the collapse of interest in politics, with lower turnouts, and the apparently diminishing difference between the parties. There is a perception that we all—certainly at leadership level—share a culture and that we have almost fallen into a Francis Fukuyama-like "end of politics" position because we all essentially agree. Let me say that I do not agree with the prevailing philosophy, which appears at times to be shared by the leadership of all three parties. I believe that a division of views still exists. If we who are in politics start to recognise that the people want a genuine choice, and parties that represent different philosophies and ways in which to run society, people might be more interested and begin to trust us a little more.

Our party always had a moralistic streak. It was concerned about equality, social justice and the interests of the poor. The Conservative party was perhaps more concerned with patriotism, the Queen, preserving the

[Kelvin Hopkins]

old order and so on, but the parties were at least identifiable. We have confused everybody by almost eliminating those differences. We should re-establish those differences, so that people have a genuine democratic choice. Democracy without choice is no democracy at all.

It is pleasing that the Government of the new Prime Minister have broadly commended many of our report's recommendations. However, the Government have not accepted the recommendations detailed in quite a long section on pages 2 and 3 of the response, saying:

"The Government will give further consideration to the issues".

One of those issues is who will appoint the ethical regulator or regulators. My hon. Friend the Member for Cannock Chase and others have talked about Parliament doing that through a commission. I entirely agree that that is how the appointment should be made. However, although one does not want to cast aspersions on one's colleagues, we are all influenced to an extent by our Whips. They can have a word in someone's ear and say, "Well, actually this is the name we want, because they're basically on our side," or, "The Prime Minister rather wants this particular person." We need a body that is slightly separate from the Whips and not prone to their influence.

A conspiracy involving the Whips from the two main parties is even a possibility. The Opposition might not want too energetic, strong, robust or independent-minded a regulator, just in case they ever get into power and suffer the irritation of having to face them, so there is always the possibility of a conspiracy of the Whips on both sides, as well as the risk from Government Whips. What our report recommends is sound.

I do not want to say very much more, because most of what I had wished to say has been said by others. I wholeheartedly support the report. I would have liked it perhaps to go a little further in driving a wedge between money and politics, but that might have to wait for another day. Such reports are necessarily consensual and I am happy with the consensus that we achieved; but perhaps in time we will go further in driving that wedge between mammon and politics, to the benefit of our politics and in order to rebuild higher levels of trust among our electors.

3.47 pm

Mr. Douglas Carswell (Harwich) (Con): I read the report with great interest, and it is a timely report. The public feel growing concern about the standards in public life, and they have every right to be concerned. They increasingly regard politicians as remote and sleazy, and Members of Parliament as belonging to an aloof political class.

To some extent the public are right to feel disillusioned. Some of the loss of trust in politics and in the political process is merited. I would not want to go overboard, however, despite recent examples of rather squalid and tawdry deals. Most people whom I have come across in politics in my short career here are decent and well-meaning people; indeed, most of those whom one comes across in public life at almost any level in Britain are well-meaning, honest people trying to do the decent thing.

People's real concerns are not so much about what politicians may or may not do with this private donation or that source of private funding; rather, they are about what the political class does with taxpayers' money—with public money, not private money. The real scandal is not caused by hidden donors paying for this or that leadership, and does not involve private money so much, but rather public money. The concern felt by the public is caused when big corporate interests meet big government. When we examine standards in public life and consider what structures we can put in place to regulate them, I very much hope that we will consider how public money is spent.

I want to talk about three areas where I have concerns. First, I hope that a future watchdog will examine the awarding of defence contracts and the influence of the defence lobby in Westminster and Whitehall. Some £32 billion a year is spent on defence. I believe that it is increasingly possible to prove that it is spent largely in the interests of defence contractors and not of our armed forces. I am not some sort of left-wing, hippy peacenik; I am not against the arms trade. But I am against a few big corporate interests controlling the public policy agenda and shaping it in their interests.

I do not allege overt corruption—I am sure that the Agusta scandal that occurred in Belgium a few years ago is not being repeated by Agusta-Finmeccanica in the UK today. I merely note the following. Contractors spend large sums of money buying influence in Westminster and Whitehall. There is not always full disclosure as to how that money is spent. BAE Systems has admitted to me that it engages a number of consultants with passes that give them access to Parliament. It will not say precisely who they are.

The armed forces parliamentary scheme, which is a great scheme of which I am part, and which has the aim of educating Members of the House about the armed forces, is largely funded by a few privileged defence contractors. Again, they refuse to disclose who is paying what. At the same time, the armed forces parliamentary scheme has very definite views on defence procurement, or rather on MPs who make a song and dance about certain procurement issues, as I found out.

The defence contractors put a lot of money into various forums and lobby groups, and it is only fair that we have proper disclosure. Contractors have a vested commercial interest in the defence industrial strategy and a protectionist policy that precludes a broad-based supply base. The taxpayer and the armed forces pay a very high price for that protectionist policy and lack of full disclosure. I would like a future watchdog to have an inquiry into how defence contracts are made and the interests and influence of lobbyists in this institution and Whitehall.

Secondly, I would like a new watchdog to be able to investigate what one might call certain elements of the British establishment's indulgence of tyrants who happen to be very rich. Why do we treat Saudi Arabia as our key ally in the region? When we impose sanctions on Burma or Zimbabwe, why do we parade the Saudi elite down the Mall? Why has our judicial process been traduced by halting an inquiry into whether BAE Systems bribed Saudi princelings? Has Saudi Arabia bought a large section of our foreign policy establishment? Could it be that there are those in public life, perhaps at the Foreign Office, hoping one day to take their places on

the boards of Saudi-funded companies? Again, I would like an inquiry into standards in public life to look at why the Serious Fraud Office investigation was halted and the inquiry into BAE Systems abandoned, and to examine the role of officials and retired officials.

Thirdly—this is not a partisan point; it is a critique of the Executive, not of the party that happens to be in office—I want us to look carefully at how public money is spent in marginal constituencies. In this country, we like to think that we do not do pork-barrel politics; we like to be able to sneer at those Americans who do it differently; we like to think that we are not some sort of third-world, third-rate grubby country where public resources are allocated on the basis of political calculation. Really? Local government funding formulas seem to me to favour certain parts of the country with certain political complexions rather than others. In some parts of the country, a largesse with public money seems to have created a class of people dependent on high state funding.

I do not know whether this is in order, but in relation to the Abrahams affair and the question of what Wendy Alexander knew at what time, it seems to me that the real outrage is not what a few individuals do with private money, but what is being done with our public money. Standards in public life do not mean investigating only how private money is spent. We need to examine not merely how private money relates to the political class, but how public money and its expenditure relates to that class.

The lazy assumption that the UK is somehow uniquely incorruptible is, I think, dangerous. We have not yet reached European levels of corruption in public life, but I think we are not far behind. I would like to see us focus more in future on improper behaviour between big corporations and big Government. I hope that any new commissioner appointed to investigate will look at those areas, because when big Government meets big corporate interests, the taxpayer almost always loses out.

I begin to draw my comments to a close by responding to a point raised by the hon. Member for Cannock Chase (Dr. Wright). Politicians on both sides seem to be aware of voters' growing contempt for the political process. We recognise that voter turnout is falling and that the "none of the above" party seems to be doing ever better. Many of us will recognise on the doorsteps that voters increasingly despise politicians, but I think that the political establishment needs to stop blaming the voters for holding its politicians in contempt. We also need to stop blaming the press, which I believe reflects rather than shapes what its readers think. We need to recognise that it is we, not the voters, who are at fault.

It is not so much that MPs are corrupt with private money; our failure is that we are no good at holding the Executive to account for what they do with public money. We are monumentally useless at holding the quango state to account. If MPs were better at holding the Executive to account for how they spend public money, there would be no need for a public standards commission, and we MPs would be less despised.

How, then, can we ensure that MPs have the appetite to hold the Executive to account? I shall touch on a point raised by the hon. Member for North Southwark and Bermondsey (Simon Hughes). Part of the problem is that there are too many "safe seats", as they are termed by political academics. Very many people in the House stand no realistic chance of ever losing their seat in a general election. That is what makes them more accountable and answerable to what the Whips and the party system tell them to think and say than to the voter. I have been changing my mind during my two and a half years as an MP, and I have come to recognise that we need a more competitive system that will ensure that people elected to this House are held to account more by the voters and less by the Whips. That might best be done by some form of open primary selection, and possibly some form of multi-member competitive constituency system.

I finish by saying that elected MPs currently have little appetite to hold the Executive to account. That is because they are inclined to act as cheerleaders either for the existing Executive or for some future one. That means more talk of regulation by ethical watchdogs, but if we rely purely on such ethical regulators and watchdogs to hold the political system to account, we will replace conscience with compliance. The best way of regulating public life is to have a House of Commons that is accountable to the electorate, and a political system in which the legislature holds the Executive to account.

3.58 pm

Greg Clark (Tunbridge Wells) (Con): The debate has been a good one, rather better tempered than yesterday's exchanges. That is appropriate, because the truth is that the vast majority of people who come into public life—whether they be in Parliament, local government, the civil service or other public bodies—do so for the best of motives, and never lose sight of that during their careers. Indeed, every day in this House, we start proceedings with a prayer for ourselves and others in positions of authority within Government. The prayer says:

> "May they never lead the nation wrongly through love of power, desire to please, or unworthy ideals but laying aside all private interests and prejudices keep in mind their responsibility to seek to improve the condition of all mankind".

Irrespective of whether people are religious, that is a pretty good code of conduct for Members. I am certain that all who speak those words mean them, whether or not they have any religious faith. I do not believe that they have their fingers crossed behind their backs. The very first line of the Committee's marvellous report makes the point very clearly. It states:

> "A rule based system should never substitute for a culture of high standards, rooted in the traditions of public life and shared by all those who participate in it."

Whatever reforms of procedures and institutions we may discuss, we must never lose sight of the importance of that culture.

I do not believe—many hon. Members have said this—that in general standards are not high, but that is clearly not the public's perception. As the hon. Member for Luton, North (Kelvin Hopkins) said, trust in Government, and indeed in politicians more specifically, has declined. In the first line of her brilliant 2002 Reith lecture, Professor Onora O'Neill, now a peer, said:

> "Confucius told his disciple...that three things are needed for government: weapons, food and trust. If a ruler can't hold on to all three, he should give up the weapons first and the food next. Trust should be guarded to the end".

[Greg Clark]

That is very important in our civic life. If we are losing the trust of the people who send us here we need to do something about it, because it is a major problem.

We should also note that this loss of trust has taken place during a period in which—as the appendix to the report makes clear—14 ethical regulators have been established, half of them during the last five years. The Committee has done us a service by focusing on this issue, 12 years after John Major established the Committee on Standards in Public Life. While we are discussing the origins of that Committee, I think it appropriate to record our condolences to the family of Lord Nolan, its first chairman, who died earlier this year.

The Committee has made suggestions for reform, many of which we consider sensible. We hope that the Minister may be able to associate herself with them more clearly than the Prime Minister has so far, but I think we should now pause to consider, in overview, whether our present system is working. I was struck by evidence given to the Committee by Professor Dawn Oliver of University College London, who said in one of her contributions:

"The existence or creation of watchdogs signals the collapse of a trust based system...If trust and trustworthiness have broken down watchdogs may...generate even more mistrust and possibly unethical behaviour and legalism"

by encouraging people to

"focus on the letter rather than the spirit of the rules".

We have a paradox: the more regulated we are, the more the perception of trustworthiness may be affected, and the more standards of behaviour may decline. It is almost as if we are being infantilised, and becoming like children responding to the admonitions of a parent. It is important for us to recognise that if all the decisions are in the hands of an ethical regulator, that parent-child relationship will become standard. I think that we should conduct ourselves, in this place and beyond, as adults. I say that lest we be tempted to establish new regulators in the years ahead. Regulators are nearly always established in response to a particular concern that has arisen: that is true of most of the regulators we have had in the past. The Committee's report may make us pause to consider that in future.

As Lady O'Neill said,

"Elaborate measures to ensure that people keep agreement and do not betray trust must, in the end, be backed by trust...Guarantees are useless unless they lead to a trusted source, and a regress of guarantees is no better for being longer unless it ends in a trusted source."

I agree with my hon. Friends that ultimately, that trusted source must be the people themselves. It must lead us back to democracy. These things cannot be contracted out; trust must come from the electorate. Too much of the direction in public life has moved away from that ultimate accountability to the electorate, and I am not convinced that the public trust in unelected representatives—unelected appointees—is any more than their faith in elected guardians of the public interest. That is why the Committee breaks important ground in recommending a system for ethical regulators to report in a collegiate way to Parliament. Even today, that would give greater independence than we currently have from Ministers. That would be an important step forward.

In respect of the special ethical regulators that we have, we should take heed of the Committee's view that sometimes it is hard, or even impossible, to exercise a distinction between the ethical and the administrative. It behoves us all to be temperate in our consideration of reports from those regulators, because they find it difficult to distinguish between the two, and we damage trust in politics if we are seen to react too hysterically to reports before they have been properly investigated.

The direction of travel is clear. We need to have more parliamentary accountability. That is why I am a little critical of some of the Government's initial reactions to the clear recommendations of the report. It is good that we have established the principle that fixed-term appointments are to be encouraged, but the Government can still delay appointments. We have seen that in the case of today's appointment, which has been months in coming. It is also the case that that appointment did not conform exactly to the principles that have been recommended.

In an intervention earlier, I asked the hon. Member for Cannock Chase (Dr. Wright) whether the appointment was the subject of consultation between parties, as his Committee rightly recommended. My understanding is that that was not the case—that my party was not consulted. This is an important appointment; we are dealing with people's confidence in standards in public life, and we have waited so long for the appointment to take place. It is disappointing that in making this apparently confidence-building appointment, the recommendation of the Select Committee was not followed. I therefore fear that the Committee that the hon. Gentleman chairs was not quite as influential as he might have hoped.

To move on to other areas, the hon. Member for Pendle (Mr. Prentice) rightly described the Government's response to some of the recommendations as opaque. The Committee recommended that:

"Funding and operational challenge should be provided by a body independent of government"

and that:

"Appointment should be by Resolution of the House, and the names proposed should be agreed by consultation among the parties."

All the Government have said on that is that they will give further consideration to the issues raised. The Committee's report also recommended that all constitutional watchdogs should have the power to initiate their own inquiries. All we have heard from the Government is that they will make a commitment to consider the recommendation. Therefore, if we are to move to a new system of greater transparency and confidence, we have further to go.

If we are to be genuinely accountable to Parliament in the way suggested, the Government must start taking Parliament a bit more seriously in general terms. For example, it is important when we ask questions in Parliament and hold the Executive to account that we have the information made available to us, but my recent experience in questioning the Minister's own Department—which is responsible for promulgating to civil servants across Whitehall the rules which say that parliamentary questions should be answered promptly and named day questions answered on the named day—is that it gives holding answers that prevent us from exercising that degree of scrutiny. It is important that we live up to the standards that we set ourselves.

As for how to move forward, I do not want to rehearse the well-made arguments of yesterday—I am sure I would be brought to order if I were to try—but it is incumbent on us all to be clear about some of the abuses, inadvertent or otherwise, that take place. When trade unions are reporting more donors of the political levy than there are members of the union, I do not know whether that is by design or accident, but we should have the courage to look into that and correct it. That is what my right hon. Friend the Member for Horsham (Mr. Maude), who led from the Front Bench yesterday, wants us to do, and I know he would welcome a more positive Government contribution on that subject.

There is also the question of the advantages of incumbency, such as the communications allowance. If we seek to restrict spending by candidates while there are great financial advantages to incumbency, that corrodes confidence in public life.

It is important that the way that appointees, be they ministerial or public ones, conduct themselves is in keeping with the standards that we expect. I know that exchanges have taken place on this earlier today, but it was disappointing that one of the Government's more recent appointments, Mr. Paul Myners, who has been appointed to a civil service post as head of the Personal Accounts Delivery Authority, made an ill-advised personal and political attack on some of my hon. Friends last week. On "Question Time", he referred to the

"arrogant, superior young toffs who lead the Conservative party".

That is not the kind of remark that we expect from a public servant. I know that the reputation of Mr. Myners in business is strong, but if someone is working for the public benefit in a position of trust, they ought not to make partisan political statements such as that on the record.

Some excellent contributions have been made in this debate. I have referred to some of the remarks of the hon. Member for Cannock Chase, who chairs the Committee. He made an excellent speech that forcefully made the case for his recommendations. They speak for themselves, and I hope that the Minister will give them a response.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) was a little premature in his hymn of praise to the Prime Minister, although it was tempered later in response to an intervention. We must wait a little to see whether we will have the enthusiasm that the hon. Gentleman expects. He mentioned the contribution of Sir Simon Jenkins to the report. It is a significant one, because when Sir Simon gave evidence to the Committee he made a powerful point about the importance of localism. He made the point that if we were sitting in New York debating confidence in public officials and public representatives, people would think first about the mayor of New York and local council members there, then about the governor of the state of New York, and ultimately about the President.

In this country, when people think about those in public life, they automatically go straight to the Prime Minister, Ministers and MPs. We seem to have lost that confidence in, and indeed the prominence of, people in civic positions between central Government and people's lives. Having lost that is a fault, because people tend to have confidence in people whom they know, people whom they can see and—as was made clear earlier—people whom they can kick out. People do not feel that they can directly kick out the Prime Minister—they feel that they can do so only very indirectly—but those in their own constituencies and their own council areas should be more accountable to local people. That gap in the middle of our democracy corrodes our standards.

The hon. Member for Pendle made a slightly curious speech. He endorsed several of the points that I am making about the Government's need to respond more proactively. He also expressed some regret for some of his party's remarks during the 1990s and the contaminating of politics by dwelling too much on matters of sleaze, but he then launched into an unsubstantiated attack on Lord Ashcroft. I was not sure that such an approach had great consistency. The hon. Gentleman made a useful contribution in talking about the dance of the seven veils that the Government have been doing since July 1998, when they first promised a civil service Act. We await the publication of the legislation, and we hope that it has benefited from the scrutiny that the Public Administration Committee has given its own draft Bill and, subsequently, the various Government consultations on it.

My right hon. Friend the Member for North-West Hampshire (Sir George Young) is perhaps the only Member of this House to have been praised in the evidence that the Committee took. The eminent commentator Peter Riddell said in his evidence that the system of parliamentary regulation was much better than it had ever been,

"partly thanks to two individuals, Sir George Young and Sir Philip Mawer".

The whole House knows what contribution my right hon. Friend has made to promoting standards in public life. The point that he made about the Standards Board is well founded. There can be no better example of the sort of parent-child relationship, in which the establishment of the board has encouraged bad behaviour in some councils, with tit-for-tat reporting of the most trivial alleged offences, which wastes public money and corrodes the confidence that people have in those institutions. We should take a much more sensible approach.

My right hon. Friend also mentioned the Prime Minister's document, "The Governance of Britain". That was a great opportunity to go further in proposing arrangements to enforce the ministerial code and ensure that the arrangements that we have for Ministers are as robust as those for MPs, but that opportunity was not taken. There was also the possibility of pre-empting some of the recommendations that we are making in this debate, but sadly, the rhetoric and hoop-la surrounding the great unveiling of that document have not been matched by its content.

The hon. Member for Luton, North paid an appropriately warm tribute to the Chairman of the Committee, and made a fascinating speech that drew attention to the need to hover above some of the micro-issues and ensure that we have the right systems set up that will serve us well for the future. The contribution that he has made, and continues to make, in the Committee, will do that too.

My hon. Friend the Member for Harwich (Mr. Carswell) made his usual robust speech. He is a thoughtful and independent-minded Member, and I know that no one

[Greg Clark]

is more passionate than he is about restoring the importance of local democracy in our national life. His contribution today was in keeping with that.

We have had a good debate. We have covered a lot of ground. The report is excellent and challenging, but the Government's response so far has been lacking. It has been opaque, although we now have an opportunity to hear from the Minister. I hope that she will take the opportunity—

Kelvin Hopkins: Is the hon. Gentleman committing his party to supporting all the recommendations in the report, especially those on appointments?

Greg Clark: As I said, there is much in the report with which we agree, but I cannot at this stage commit to its every jot and tittle. It enjoys our warm endorsement and it has been fed into our policy review. Our proposals will be published shortly, but we are concerned at the moment to hear from the Minister about whether the measures will be put before us in the Bill that we have been promised in this Session, so that we may change the law.

4.17 pm

The Parliamentary Secretary, Cabinet Office (Gillian Merron): I congratulate my hon. Friend the Member for Cannock Chase (Dr. Wright) on securing this debate. It has given the House a welcome opportunity to debate important issues with the benefit of what has been described as the bright light, or sunlight, shone by the Public Administration Committee. The debate was all the better for that.

I welcome the open and mostly constructive spirit in which the debate has taken place. I wish to place on record and emphasise that, as the Government said in our response to the Committee, we are giving serious and continued consideration to all the issues raised by the Committee and in this debate. Our commitment is to a continual improvement, and I think that that commitment is shared by right hon. and hon. Members.

I cannot emphasise enough that the Government are committed to maintaining the highest standards of conduct for those in public life. We welcome the Committee's review of the regulation of that conduct, with its particular focus on the bodies that have been set up by the Government for this purpose. The Government also welcome the fact that the witnesses to the inquiry were convinced that

"public life in the early twenty-first century was cleaner than it had been before."

I am pleased that that observation was approved by the right hon. Member for North-West Hampshire (Sir George Young). He has form in that regard, as he has always supported higher standards in public life.

The Government share the Committee's views in a number of areas. First, we agree that the primary purpose of the system of ethical regulation is to ensure that standards of public conduct remain high. Many hon. Members have suggested as much today, and we accept that ethical regulation is a component of good government. Secondly, however, we agree that

"a rule based system should never substitute for a culture of high standards, rooted in the traditions of public life and shared by all those who participate in it."

Thirdly, we believe that regulators have an important role in ensuring that people in public life are properly scrutinised and that they make an important and valuable contribution to upholding the highest standards. On those points, the Government are very much at one with the Committee, and much of what has been said today bears that out.

Before I go on to deal with specific points raised in the debate, I should like to add my tribute to the work done by my hon. Friend the Member for Cannock Chase and by the Public Administration Committee, which he has chaired so forensically and enthusiastically for a number of years now. As we have heard, he might have been standing at this Dispatch Box had he not made his views so clear in the speeches that he has made. However, I am grateful that he has given me the opportunity to stand here myself; I am for ever in his debt. The Public Administration Committee has produced a large number of recommendations of great quality over many years which have helped to shape the landscape of ethical regulation in this country. I repeat that I believe that standards in public are all the better as a result.

Before I deal with specific matters raised in the debate, I want to put the improvements that the Government have made and the bodies referred to in the report in some sort of context. Most significant in that regard have been the roles played by my right hon. Friend the Prime Minister and by Parliament. On 3 July, the Prime Minister made it clear in an announcement to the House that he hoped to agree a new constitutional settlement that entrusts more power to Parliament and the British people. In the Green Paper entitled "The Governance of Britain", he set out two objectives for that settlement—namely, that the Government should be more accountable for the power that they hold, and that the rights and responsibilities of the citizen would be upheld and enhanced. Indeed, the Prime Minister has gone further and called on the House to work with the Government in a spirit that takes us

"beyond parties and beyond partisanship".—[*Official Report*, 3 July 2007; Vol. 462, c. 815.]

Today's debate forms part of that discussion, in which I hope that all hon. Members will participate in that spirit.

I shall begin with the Committee on Standards in Public Life, about which the report made clear recommendations. As I announced earlier, the Prime Minister has today appointed Sir Christopher Kelly to be the committee's chairman. He will take up the post on 1 January and will continue the committee's important work to ensure high standards across public life. I can assure the House that Sir Christopher was recruited through fair and open competition and in accordance with the rules of the committee for public appointments.

I should also like to take this opportunity to thank Rita Donaghy, a long-standing member of the Committee on Standards in Public Life. She has admirably filled the role of interim chair, and I am sure that the whole House would want to pay tribute to her.

Greg Clark: Will the Minister explain why, in respect of such a sensitive appointment, it was not felt appropriate to consult the leaders of the main Opposition parties?

Gillian Merron: There may be some confusion about the Government's commitment, so perhaps I can gently point out that we never made a commitment to consult Opposition parties about that appointment. However, we have made a commitment to consult the main Opposition party leaders on the appointment of the First Civil Service Commissioner and the Commissioner for Public Appointments. It may reassure the hon. Gentleman and other Members who made the same point to learn that Sir Christopher has indicated that he is more than willing to go before the Public Administration Committee at the earliest opportunity. I am sure that it will welcome that offer.

Kelvin Hopkins: The Government have not yet committed themselves to the Select Committee's recommendation about appointments. Will my hon. Friend give serious consideration to that recommendation and confirm that future appointments will not be made in the same way as the most recent one?

Gillian Merron: At the beginning of my remarks I said that we were considering all the points made by the Committee. We are keen to work with it to improve things where we can. Given the responses I have heard in the House today, I hope people will feel that the appointment was made in the right manner, in a spirit of openness. Furthermore, I have indicated the appointee's willingness to make himself available to the Committee, which I am sure will be extremely welcome.

Greg Clark: May I ask the Minister about the manner in which the appointment was announced? We discovered it at Prime Minister's questions in response to a question. Was not it felt appropriate to make a written statement today that this very important appointment was to be made?

Gillian Merron: I refer the hon. Gentleman to the ministerial code, which indicates that Ministers should come to Parliament, as we have done, at the first opportunity. Indeed, a written ministerial statement has been made and the Prime Minister indicated that an announcement would be made later today, so the Government have been true to the proper spirit and the requirements placed upon us.

Simon Hughes: Will the hon. Lady give way?

Gillian Merron: I was about to refer to the points that the hon. Gentleman made, so perhaps I could do that first. He asked why the term of the previous chair was not renewed. Sir Alistair himself acknowledged that none of his predecessors had been appointed for a second term and, given that precedent, he had no expectation of reappointment.

My hon. Friend the Member for Pendle (Mr. Prentice) referred to the fact that the previous occupant of the position had never met the Prime Minister. I am happy to tell the House, in the spirit in which I believe we should act, that the Prime Minister has scheduled a meeting tomorrow with the new chair and the outgoing interim chair, Rita Donaghy. I am sure that Members will welcome that commitment.

My hon. Friend and my hon. Friend the Member for Ashton-under-Lyne (David Heyes) referred to funding for the Committee on Standards in Public Life. I should like to make it clear that the committee's budget has not been cut by 40 per cent., as was suggested. In fact, in evidence to the PAC in April 2006, Sir Alistair Graham said that the Committee had not faced any cuts, but had received the budget it sought. I have the figures if any Members want reassurance about the situation.

As I am the Minister with responsibility for civil service legislation, I was glad to hear the comments made in the debate today. The Public Administration Committee made a large number of recommendations in its report and they are directly relevant to the constitutional reform agenda that is being taken forward as part of "The Governance of Britain" Green Paper proposals. The Committee has welcomed the Government's commitment to bring forward legislation on the civil service. This will be the first legislation of its kind from any Government.

I hope that right hon. and hon. Members will join me in paying tribute to the dedication and skills of those who work in the civil service. During my working day, I meet many civil servants, both in Whitehall and across the country, and I am constantly impressed by their hard work and commitment to public service. I thank them for the work that they do for the people whom we serve.

Simon Hughes: May I push the Minister a little further? Since 1998, it has been announced that a civil service Bill is on its way. We have had a draft Bill, but the Bill was not included in the Government's draft legislative programme or the Queen's Speech. What is the timetable for the Bill appearing before Parliament and what is the Government's expectation of when it will be on the statute book and in force?

Gillian Merron: All good things are worth waiting for. It is important to note that we are the first Government to give this commitment. It will be within this parliamentary Session. The draft provisions to which the hon. Gentleman referred will enshrine in legislation the core principles and values that govern the civil service: impartiality, objectivity, integrity and honesty. I am sure that the House will understand that, at this stage, I cannot comment on specific issues—nor would it be appropriate to do so—but we are taking full account of the recommendations made by the Public Administration Committee in its report, and I am grateful to the Committee.

It is worth noting the action that we have already taken, independently of legislation. In June last year, we issued a new civil service code. It included the right for the civil service commissioners to take a complaint or concern directly from a civil servant about an issue under the code. Furthermore, the selection panels for the most senior civil service appointments are now chaired by the commissioner. The Government make an annual report to Parliament on special adviser numbers, costs and responsibilities. A new ministerial code was published in July and a revised code of conduct for special advisers was published in November.

As I said earlier, we are consulting the main Opposition party leaders on the appointment of the First Civil

[Gillian Merron]

Service Commissioner and the Commissioner for Public Appointments. I am sure that the whole House welcomes the Government's improvements in that regard. In addition, following a recommendation from the Public Administration Committee, and in line with arrangements for the new chair of the Committee on Standards in Public Life, the appointments of the First Civil Service Commissioner and the Commissioner for Public Appointments have been converted, with the Queen's agreement, to single fixed terms of five years.

Turning to public bodies and public appointments, the post of Commissioner for Public Appointments was created in 1995 to regulate, monitor and report on ministerial appointments to public bodies. The commissioner publishes a code of practice to ensure that the appointments process is open and transparent, and that appointments are made on merit. We have extended the code beyond the point at which it started. It previously applied only to NHS bodies and executive non-departmental public bodies. The Government have included advisory non-departmental public bodies and public corporations within the commissioner's jurisdiction. That means—this is important in the context of our earlier debate—that about 10,000 appointments to more than 1,000 public bodies are now regulated by the commissioner.

Those public bodies provide vital services, from health to education to the protection of the environment, and including everything in between. They are created when that is the most efficient and effective way of delivering a service. The majority of those who serve are unpaid. There has been discussion about the number of public bodies. However, the number has fallen. In 1997, there were 861 public bodies sponsored by the Government, excluding those sponsored by the then Scottish, Welsh and Northern Ireland Offices. By 2006, that number had fallen to 835.

There has been reference to the ministerial code. The Government agreed to a strengthening of the rules relating to former Ministers and the business appointments process. I assure the right hon. Member for North-West Hampshire that the new ministerial code makes it clear that on leaving office Ministers must seek advice from the independent Advisory Committee on Business Appointments about any appointments or employment that they wish to take up within two years of leaving office. The code makes it clear that Ministers will be expected to abide by the advice of the committee. Previously, the arrangements were on a voluntary basis. On the new ministerial code, a new independent adviser on Ministers' interests has been appointed, who can be invited to investigate allegations of wrongdoing. That represents a strengthening.

My hon. Friend the Member for Cannock Chase made a comment about regulators and the need to put them on a statutory footing. It is important to say that the Government are committed to preserving the existence and independence of the various ethical regulators. The Public Administration Committee said that there needs to be further debate on the precise way in which ethical oversight is best arranged. We look forward to working with the Committee and the regulators to find out what further improvements are needed. Each of the ethical regulators is already accountable to Parliament. Their annual reports are published and they regularly give evidence to the Public Administration Committee. Again, if further measures are necessary, we will gladly continue to work with the Committee and the regulators on that.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) referred to caps on donations. Just yesterday the Secretary of State for Justice announced in the House that a White Paper would be published as soon as possible, and the Government will introduce legislation after that. That is an issue for all parties, as was brought out in the debate. I hope that we can work together to restore greater confidence in politics and politicians, which is what we all want. The hon. Member for North Southwark and Bermondsey also suggested that special adviser numbers be cut. Perhaps it would help the House if I made it clear that in the ministerial code, there are clear rules on the number of special advisers. Ours was the first Government to publish an annual report on the number and cost of special advisers. Perhaps we could give a bit of calm context to the numbers: the Prime Minister's statement, published on 22 November, showed that a total of 68 special advisers were in post. That is out of a total of more than 500,000 permanent civil servants.

Greg Clark: Will the Minister say how many special advisers were in post in 1997?

Gillian Merron: I believe that the number of special advisers is already a matter of record; the figure is in the Library.

The hon. Member for North Southwark and Bermondsey also suggested that the Government cut the number of press officers. Again, to give some context, there are 563 registered press officers in central Whitehall Departments. I believe, as many of us do, that it is essential that the Government inform the public effectively. I make no apology for campaigns on issues such as not drinking and driving, quitting smoking and handling national challenges such as foot and mouth—that is, on how to keep people safe in their daily lives.

My hon. Friend the Member for Pendle expressed concern that regulators could perhaps be abolished at the drop of a hat. I simply do not accept that suggestion. I hope that the manner in which I have responded to the debate and our wish to see regulators play a strong role will give him some reassurance.

Mr. Gordon Prentice: The political honours scrutiny committee was abolished at the drop of a hat.

Gillian Merron: We are committed to the existence, independence and effectiveness of the regulators, because they help us to carry out our job. We should see them in that light.

The right hon. Member for North-West Hampshire suggested that the Ministers code was less robust than the MPs' code. I referred earlier to the improvements that we have made. I wish to add a reassurance that Sir Philip Mawer will publish an annual report covering his work and role. Parliament will want to look at that closely.

The hon. Member for Harwich (Mr. Carswell) spoke of holding the quango state to account. Perhaps I can offer him a reassurance that public bodies and central Government public bodies are ultimately accountable to Ministers. Chief executives are appointed as accounting

officers. They can be and often are summoned to give evidence before the Public Accounts Committee. Those public bodies are required to have published complaints procedures in place. I have already indicated the downward trend in the number of those bodies. On lobbying, I look forward to the Public Administration Committee's inquiry into the lobbying industry. We believe that the right approach is for the Government to ensure propriety in their actions and for the lobbying industry to regulate its own conduct.

The hon. Member for Tunbridge Wells (Greg Clark) spoke about party funding. It is worth the House recalling that it was this Government who introduced the Political Parties, Elections and Referendums Act 2000, which took important steps forward by setting up the Electoral Commission and the appointments committee and setting out requirements in respect of donations. The Government must complete that work and we will not hesitate to make any necessary changes.

In conclusion, the Government have never shied away from taking the action necessary to maintain and enhance the standards that the British people have a right to expect from us and which we are proud to deliver. The Public Administration Committee has made a huge contribution over the years to reinforcing and enhancing the principles and practice that guide the way in which holders of public office discharge their duties. The Government look forward to continuing to work with the Committee and the various regulators and to maintaining our commitment in this area.

Question deferred, pursuant to Standing Order No. 54(4) and (5) (Consideration of estimates).

Department for Work and Pensions

Benefits Simplification

[Relevant documents: Seventh Report of the Work and Pensions Committee, Session 2006-07, HC 463-I on Benefits Simplification, and the Government's response, Third Special Report, Session 2006-07, HC 1054; Eighth Report of the Communities and Local Government Committee, Session 2006-07, HC 718, on Local Government Finance: Council Tax Benefit, and the Government's response, First Special Report, Session 2006-07, HC 1037.]

Motion made, and Question proposed,

That, for the year ending with 31st March 2008, for expenditure by the Department for Work and Pensions—

(1) further resources, not exceeding £627,101,000, be authorised for use as set out in HC 29,

(2) a further sum, not exceeding £1,147,101,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs as so set out, and

(3) limits as so set out be set on appropriations in aid.—*[Diana R. Johnson.]*

4.42 pm

Mr. Terry Rooney (Bradford, North) (Lab): I welcome my hon. Friend the Minister for Employment and Welfare Reform to the debate. I was expecting the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt), but she is far better looking.

Some would say that it was ironic that the Select Committee published a report on benefits simplification that ran to 116 pages and contained no end of jargon, numerous unintelligible tables and various other obstructions to general understanding, but I would not say that.

Why did we undertake the inquiry? Last year the Committee conducted a short inquiry into the efficiency savings programme in the Department for Work and Pensions, and it became apparent to us that part of the problem for the staff was the enormous complexity of the benefits system, which was compounded by the job reductions that were taking place and the IT problems being experienced. That is why we decided to undertake an inquiry into potential benefits simplification.

It is worth pointing out that the Department administers about 40 different benefits. In addition, there are benefits such as child benefit and child tax credit, which are dealt with by HM Revenue and Customs. Many of the benefits administered in the Department are passports to other benefits such as Warm Front grants, eye treatment, dental treatment and so on. In total, the Department's budget is about £120 billion; excluding state pensions, it is about £70 billion. There are 17 million claimants, and about 25 million people are affected. Obviously, the Department has a major influence and impact on people's lives.

Furthermore, for about 17 years the Department's accounts have not been signed off. That used to be because of customer error and customer fraud. However, the Department has been effective in dealing with those problems, and the problem now is increasingly official error. The total loss due to fraud and official error is

[Mr. Terry Rooney]

estimated at about £2.6 billion. Although, taken against the overall budget, that is fairly tiny, it is still an exceedingly significant amount. No doubt the level of official error in particular has come about largely because of the complexity of the benefits system that staff have to administer. I do not think that anybody deliberately makes errors, but they are the almost inevitable consequence of where we are.

Throughout the 1980s I was a welfare rights adviser. In those days, we had two bibles. One was the Child Poverty Action Group handbook, which in those days ran to about 250 pages, but now has 1,600 pages. The other was known as the Yellow Book—a single volume containing all the Acts of Parliament and the regulations. That is now the Blue Book, which runs to 32 volumes; the "Decision Makers' Guide", the instructions on how to implement the legislation, runs to 14 volumes. That is meant to help, although I do not know whether there are examinations on those 14 volumes.

How did we get to where we are today? To a large extent, social security started with Beveridge; there were things previously, but they were minuscule. Essentially, Beveridge established a system of benefits, based on national insurance contributions, around the principle that men worked and women stayed at home. At that time, it appears that nobody was sick or disabled. For those who fell outside national insurance contributions, there was a fairly brutal system called national assistance.

By the '60s, society at large had decided that national assistance was not a nice thing and we got supplementary benefit, which gave a series of entitlements but had a lot of discretion within it. By the mid-80s, that discretion was deemed not to be good. It was thought that it was being abused. It was impossible to budget for, so we got the Social Security Act 1986, which introduced income support. That had the benefit of formalising things—everybody knew where they stood—but it created an awful lot of losers. However, that new system came in.

By the mid-90s, it was decided that we needed a new regime for claimants who were seeking work, so we got the jobseeker's allowance. The old invalidity benefit became incapacity benefit. Those are the main income replacement benefits, but along the way, for various reasons, we got other benefits such as disability living allowance and carer's allowance. Every time a benefit is brought in, a new layer of legislation and complexity is added, but seldom is anything taken away.

There is also the problem of legacy. It has always been a principle of the social security system that nobody should be a cash loser at the point of change. Some would say that that is equitable and is the right thing to do—but we are now running five separate systems for those incapable of work due to illness or disability. We have legacy claimants from the various different systems going back a long way. That has an administrative cost, because it is cheaper to administer a current benefit than one that is 30 years old. It also puts a serious strain on departmental staff who were there when it happened and know about the rules relative to the benefit that is still in operation. I make no judgment in this debate about efficiency savings, but it is fair to say that when 30,000 staff were taken out of the organisation, an awful lot of them were at the older end of the spectrum and had that knowledge. That creates the further risk of official error.

Complexity in the benefits system comes from a variety of sources. We are guilty, because this House is one of the worst places for introducing it. Somebody stands up, cites a case and says that something must be done, a campaign starts, and before we know it there is more complexity. That person goes home happy and 2,000 civil servants scratch their heads and say, "Why on earth did we do that?" Public pressure sometimes arises out of topical incidents. Those of us of more mature years remember the 1960s documentary "Cathy Come Home". People relate that to housing and homelessness, but it also led to wholesale changes in the benefits system, particularly the introduction of rent allowances. Change sometimes happens because it is decided that a budget is running out of control and savings are needed.

As I said, there are about 40 different benefits, which were all created at different levels. It is not the case now, but for many years in the '80s and '90s it was touch and go each year whether the rate of the state retirement pension was above or below the level of income support for people over 60. In some years they qualified for income support, or supplementary benefit before that, while in other years they did not—often by only 5p. That was because of the different formulae that applied.

Straightforward policy objectives also have an effect. The one that I would highlight, because it is in the news a lot, is child poverty. The Government's declared intention to deal with that has led to all sorts of policy initiatives. Things can go spectacularly wrong. I have a couple of examples, although hon. Members will probably have nightmares if I mention them. The first is that of the Child Support Agency. In the late '80s and early '90s, it became apparent, particularly to the public, that far too many fathers were abandoning their financial responsibilities and, in effect, leaving them to the taxpayer, because in those days about 1.5 million lone parents were not working and on benefits. The so-called liable relatives division of the old Department of Social Security, which was responsible for collecting maintenance, was always the lowest priority for staffing, and whenever there were staff shortages the people there were moved somewhere else. Frankly, it was useless at collecting maintenance. Court orders gave maintenance only for a fixed amount—there was no facility for the payment to be uprated. If the person failed to pay, it was up to the potential beneficiary to take follow-up action to get the money. The system had collapsed.

There was all-party support in this House for the original legislation, the Child Support Act 1991; I do not think that a single person spoke or voted against it. Closer examination, with the wonderful benefit of hindsight, shows that the formula calculation for the basic maintenance payment ran to three pages—a bit different from $E=MC^2$. One of the big steps forward, which started with the Jobseekers Act 1995, has meant that Committees reviewing social security legislation now have draft regulations before them. In those days we never did, and it was pot luck whether the intention translated into the regulations. It was a big step forward when Committees actually saw the draft regulations, and that process has improved even more.

Many of us who were in the House at the time remember the absolute chaos when the disability living allowance was introduced by a wonderful Minister, Nicholas Scott. He was a super Minister for the disabled,

and was widely praised, but the administrative chaos that took place because the scheme had not been geared up properly was horrendous. People were waiting for up to two years for their initial claim to be paid. The intention was good, but the practice and operation was different.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): One example of a policy objective not being carried out relates to a benefit that my hon. Friend has not mentioned yet: council tax benefit. It was introduced to try to make council tax fairer. Does my hon. Friend agree with the argument made by the Select Committee on Communities and Local Government, which I chair, that it should not be considered as a benefit, but as a rebate? It should be decoupled from the thresholds and rules relating to other benefits so that it serves better its original purpose of making council tax fairer.

Mr. Rooney: I would hate to venture on to the territory of trying to make council tax fair, but my hon. Friend is absolutely right. It is a rebate because no cash ever enters an individual's pocket. It is a credit against their council tax liability. I would have no qualms at all about changing its name to council tax rebate because that is what it is. There is no cash payment.

For reasons that are beyond me, and I defy anyone to explain it, in 1983, the system of housing support moved away from the Department of Health and Social Security into local authorities, and was called housing benefit. Again, for about two years there was absolute chaos. No end of people were evicted, and tens of thousands more were threatened with eviction, because of the inability of local authorities to gear up for that big change. At the time, my authority of Bradford—the fourth biggest authority in the country; I will just stick that in—had a small department dealing with the old rent allowance. It was informed by the Department of Social Security that it would need an extra six staff to deal with the new legislation. At its peak, it had an extra 130 staff, and it is now down to about 100. It never staffed up for that change because it was not told it would need to, and by the time it had the right number of staff, incredible backlogs had occurred.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): With regard to housing benefit, my hon. Friend will also be aware of the chaos caused by the introduction of the verification framework. It was introduced for perfectly good reasons: to reduce fraud and to ensure that benefit was given in the right way. Does he agree that that, too, caused huge chaos for local authorities, for individuals who should have been receiving support for their rent and for landlords, who often did not get their rent paid?

Mr. Rooney: My hon. Friend is absolutely right. It is not my place to defend the verification process, but I shall make a case for its defence. The process threw up an incredible amount of fraud in the housing benefit system. One of my bugbears about social security legislation is that an awful lot of it is aimed at the 0.2 per cent. who wish to defraud the system, which inconveniences the 99.8 per cent. who find themselves in difficult circumstances, want a bit of help while they sort themselves out and then move on. An awful lot of regulation could simply be deleted from the statute book. Let us not forget that such complexity impacts on customers, staff and advisers such as citizens advice bureaux and whatnot. I shall just make a little observation at this point—anyone who claims to be an expert in social security legislation is either a liar, or leads a very sad life.

Rob Marris (Wolverhampton, South-West) (Lab): Are you an expert?

Mr. Rooney: I am not an expert, but I do lead a sad life.

That cannot be good or right. Social Security Advisory Committee people tear their hair out at proposals that are always well intentioned but frequently work to the detriment of everybody.

The Department has been tremendously successful at driving down client fraud and error. However, most client fraud begins as innocent omission and failure to declare something. Suddenly, clients realise two years down the track, because they have talked to somebody else, "Oh, I should have told them that, but nobody's noticed, so I'll carry on."

There are seven different earnings disregards, depending on the benefit someone receives—for example, whether someone is a lone parent or part of a couple and so on. If people are told that they can earn £20 without telling anybody, they think that that is correct. The figure is, indeed, £20 for lone parents. Strangely, it is £20 for income support, but £25 for housing benefit. The same individual could receive two different benefits, with two different levels of disregard. It is therefore easy to understand how omission starts.

However, at some point, omission translates into serious client error/fraud, which gets extremely expensive over time for the Department. It always generates overpayment, most of which, in the big cases, the Department never recovers. I have experienced cases of overpayment of £40,000 and £50,000. The individual's financial circumstances mean that it is repaid at a rate of £5 a week. When that person dies about 30 years later, £20,000 is still owed. It is in nobody's interest to reach that stage.

Changes of circumstance make an impact on individuals, and there is no single point of contact where people can give information and everything is done. The four major changes of circumstances are: change of address; acquiring a partner; losing a partner; getting a job, and having a child. A highly successful joint pilot between the Department, Her Majesty's Revenue and Customs and others has taken place in Wallsend—I am sure that the Minister for Employment and Welfare Reform will comment on it later—whereby an individual tells one person about a change of circumstances and all the relevant people are notified. In this day and age, we should be able to do that for everybody. I understand that the pilot is being rolled out in other places, but the sooner it happens nationally, the better.

It is ironic that one of the difficulties is data protection legislation. With the best intentions, successive Governments have passed legislation that prevents one Department from sharing data with another. Much of that difficulty has been removed, but some of it remains. The general public think that that is stupid. To them, the Government are not a series of separate Departments but a single entity—the Government are the Government.

Mark Pritchard (The Wrekin) (Con): I am grateful to the hon. Gentleman, who is the distinguished Chairman of our Select Committee, for giving way. He is making an excellent speech and his last point strikes at the heart of many issues in the Select Committee's report—for example, the unnecessary duplication of basic information, such as name, address and other contact details. I concur with his remarks that the system needs to be simplified to minimise error and inadvertent fraud.

Mr. Rooney: I endorse the comments of my hon. Friend from the Select Committee. He makes a useful and telling contribution.

I believe that the Department's primary function is to receive claimants who are in distressed circumstances, minimise the period for which those circumstances apply and get those people back into work in the shortest possible time. Sadly, the complexity of the benefits system discourages some people from the latter. For example, there is a genuine problem with lone parents in London. Of especial concern are individuals in the private rented sector, with its high housing costs, and what happens when they move into work.

We have heard innumerable examples of people who prefer a low income, with the security of knowing that it is there every week, to earning a higher income in the world of work, but with the insecurity of not knowing when a new claim will be set up, because, it has to be said, lots of authorities in London are pretty poor at administering housing benefit. In many cases people accept a much lower level of income with the security of knowing that it is there. I take no offence at a lone parent with two or three young children who says, "Blow that, I'll stick where I am—at least I know what I've got. I can budget for that and I can manage it." That is an unintended consequence of the complexities in the system.

Another wonderful progressive change by the Government was to abolish the horrendous therapeutic earnings and introduce permitted working for those with disabilities. *[Interruption.]* There are a load of notes coming in from the officials—I have not said that much. The Government introduced permitted working, which was a major step forward, particularly in terms of the dignity of people with disabilities. Unfortunately, there are four sets of rules for permitted working under four different types of circumstance. If we introduced one rule and allowed everyone on incapacity benefit the highest level of earnings, of about £89 a week, the notional loss to the Exchequer would be minimal, but the ease and comfort for disabled people would be enormous. As a side point, there might also be some political kudos to be gained. Again—I have already mentioned the various earnings disregards—good intentions have been somewhat tarnished by the complexity.

We are victims of the age that we live in, and among all this, Departments such as the Department for Work and Pensions, sadly, cannot operate without IT systems—well, they could if there were about 1 million civil servants instead of 80,000 or 90,000, but I do not think that anybody wants to go to those lengths. It is fair to say that the Department has been let down by contractors—I would not put it any more strongly than that.

Rob Marris: I would.

Mr. Rooney: Indeed. Over the years, failure or inadequacy of performance in IT systems has caused horrendous heartache and serious disruption in the Department's ability to function. That has been a major issue in the Child Support Agency over the past few years. For many years, what was known as NIRS2—the national insurance recording system—could not tell people who were due to retire how much they were entitled to. A number of projects have also been abandoned. Interestingly, at least the contracting basis for the CSA system was changed, with the Department contracting to rent a system that worked. When the system did not work, the Department did not pay anything and since it never worked the Department never paid anything. Previously when Departments bought systems, they had to fork out for people to come and put them right when they did not work. Departments have got a bit smarter with how they deal with IT systems. The IT systems have never before worked as well as they do now—but that is not a difficult achievement, given the history.

In this day and age, some 60 per cent. of the population have performed a transaction online. That figure is increasing all the time, and it is totally erroneous to say that claimants are incapable of using the internet. They might have a financial inability to acquire it, but then we need to consider other access points. Telecommunications, the internet and online transactions are the future, and it is nonsense to say otherwise. However, that brings additional hazards and consequences, which I hope the Minister will pick up, although I will leave it at that—I am conscious of time and others want to speak.

The Department has had a number of successes. They have all been relatively small-scale, but the creation of the benefit simplification unit nevertheless indicates a change of focus. Its staff is still too small, but at least the issue is back on the agenda. I understand that announcements about significant further work on simplification will be made in the new year, which is welcome. Much of the work done by the Pension Service on pension credit has been great. A single point of contact to deal with council tax benefit, housing benefit and other matters has been established. Some of the deregulation in relation to occupational pension schemes, which was proposed by the benefit simplification unit, is good. The local housing allowance is a major simplification. Sadly—returning to the legacy issue—people move on to the new system only when their circumstances change. Two systems will therefore be running for who knows how long, but there we are.

It has escaped public notice that from next April people will not be required to produce their final wage slip when they leave work and move on to benefit. Trying to track down the final salary payment is a horrendous task for those who deal with claimants. Benefit used to be held up until that payment appeared. Whatever the cause, such as reluctant employers, it created enormous difficulty out of all proportion. I am glad that the Government have abandoned that requirement.

The Select Committee had a lot of discussion about whether complexity is inevitable in a world in which individuals have different circumstances and lives. It is

fair to say that there was some disagreement. I think that it is inevitable. There is an eternal tension between universal and means-tested, and contributory and non-contributory benefits, and in finding the right balance. Norway has a relatively uniform system, but my goodness what a cost of living it has—it is extortionate. There are always pluses and minuses.

We put forward two additional recommendations for consideration. One is the concept mentioned by Fraud—sorry, Freud; a Freudian slip—of a single working-age benefit. There is an air of utopia about that—the hon. Member for Weston-super-Mare (John Penrose) will probably say a lot about it. But there is potential, and the embryo of an idea, which might give us the simplicity that we want. There are all sorts of problems with introducing it—there will be arguments about winners and losers and so on—but it is an idea.

As to the other recommendation for consideration, we reflected on the success—first in analysis, then in presentation of solutions and then in public acceptance—of the Turner commission on pensions, and suggested that perhaps it was time for a welfare commission. Beveridge assessed what sort of society we would have post-war, and what sort of social security system we wanted for that society. There has been no real consideration of the fundamentals since 1945—it is 60-odd years since Beveridge published his report. There are serious grounds for going back to basic principles, and saying, "This is the society, labour market and mobility—or lack of it—that we have. What sort of benefit system do we need that allows that society to function but that also removes all barriers and disincentives to people to work?"

We are firmly of the view—I evangelise about this—that this country has enough people with sufficient credibility, academic rigour and intelligence to staff a commission such as the Turner commission. They could take two, three or four years—I am not bothered—but they would present for public debate and to Parliament a possible model for where we will be in 10, 15 or 20 years' time.

I repeat: this Department affects about 25 million people and has a £120 billion budget, which represents the largest slice of Government expenditure. We are duty bound to try to simplify it as much as possible.

Mr. Eric Pickles (Brentwood and Ongar) (Con): On a point of order, Mr. Deputy Speaker. You will be aware of an important written statement made today on the reorganisation of local government within England. Further to that statement, have you had any indication from the Prime Minister whether he intends to come to the Dispatch Box to answer the serious allegation that he summoned the chairman of the boundary committee to him this week and instructed him to find a solution for Norfolk and Suffolk together? That goes against the express wish of his own Secretary of State, so we would like to know whether the Prime Minister is running the country to further the best interests of its people or on the basis of satisfying his mates.

Mr. Deputy Speaker (Sir Michael Lord): I hear what the hon. Gentleman says. I have no knowledge at all that any such statement to the House has already been organised, but the Government Front Benchers will have heard the hon. Gentleman's remarks, which are now clearly on the record.

5.14 pm

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate the Chairman of the Select Committee first on an extremely useful, clear and well thought through report on an absolutely critical issue facing the benefit system; and secondly, on the characteristically strong and clear way in which he explained the Committee's recommendations, providing the historical context to show how the benefits system has become so complicated. He closed with a reference to Beveridge, which is a very good place to start. If we read the original Beveridge report, we find that his objectives for the welfare system included a degree of simplicity—not complexity—in order that the principle of incentive be clearly embodied within the benefit system. That is one important issue addressed in the report's extremely wide-ranging recommendations.

The hon. Member for Bradford, North (Mr. Rooney) asked whether complexity was an inevitable consequence of having a welfare and benefits system in the modern age. He was right to highlight the wide range of different circumstances in which people live, which the Minister will no doubt want to talk about. None the less, it is certainly possible to have a benefits system that is a great deal less complex than the current one, which has been characterised by some as the most complex welfare and benefits system in the developed world. Our system includes 51 different benefits with 250 different rates and numerous additional components—disregards, rules and so on. It is fiendishly complicated. The Chairman of the Select Committee seems to have reached an understanding of the system; it takes the amount of time and effort that he has put in to understand the full range of its complexity.

It comes through very clearly in the report that it is nigh-on impossible for a claimant even to attempt to understand the complexity of the particular part of the system with which he is trying to interact. I shall come on to that in more detail later, but one of the key points that emerged from the report was the need to put the interests of the claimant at the centre of an understanding of how the system can be simplified and reformed.

Rob Marris: I quite understand the need to put the claimant at the centre, but it is clear from the hon. Gentleman's own argument that people live their lives in quite different ways. I was a member of the Select Committee in the last Parliament and I well remember the not very successful Doug Smith, chief executive of the Child Support Agency at the time, saying words to the effect that one of the reasons why the system was not working very well in the CSA was that it had not realised what complex lives people led. Fortunately he resigned, but that presents a real difficulty. Because of the complexity of people's lives, if we try to make a system claimant-centred, it will either be complex or very expensive.

Danny Alexander: I do not entirely agree with the hon. Gentleman. I shall be identifying some areas, many of which the Committee's report also identifies, in which the system can be simplified in a way that is in the interests of the claimant and does not necessarily involve the enormous costs that the hon. Gentleman seems to fear.

[Danny Alexander]

One of the points raised in the report concerns the equation between means-testing and complexity. It is an important point, to which we shall doubtless return during the debate. We discussed it earlier today in the context of the statement on pensions. Even given the Government's planned pension reforms, the Pensions Policy Institute forecasts that in 2050, 45 per cent. of pensioners will still be receiving a certain amount of means-tested benefit in retirement. That is an area in which the issue of means-testing and complexity is critically important.

The report also gives examples of circumstances in which people must undergo multiple different assessments in order to secure multiple different benefits. That too could be rationalised. It was interesting to hear the sensible proposals of the Minister for Pensions Reform today. He spoke of linking pension credit applications with applications for other benefits, including housing benefit, by means of a single telephone call. If such improvements can be achieved in that relatively small but important section of the claimant population, surely they can be achieved throughout the benefits system.

Complexity obviously gives rise to issues related to data sharing and the way in which data are transferred, highlighted recently by the loss of data and concern about data security. During the passage of the Bill that became the Welfare Reform Act 2007, considerable new information-sharing powers were agreed between the DWP and local authorities with a view to both providing better anti-fraud measures—which is important—and allowing, potentially, a more joined-up system for processing claims. All such practices carry risks related to data sharing, and the Minister may wish to say something to reassure claimants about the Department's data-sharing practices. A raft of questions on the subject that I tabled a couple of weeks ago still have not been answered. I look forward to receiving, in due course, a bit more information about the way in which those systems currently work.

The report also refers to complexity at the point of receipt of benefits, and to the electronic benefit payment system that is used in California. I believe the Committee visited California.

Mr. Rooney: Briefly.

Danny Alexander: Such trips are beyond the purview of the Scottish Affairs Committee, on which I serve, but it seems to have been a very useful visit. In their response to the report, the Government describe the Post Office card account as having been modelled on the Californian system. It would be interesting to hear from the Minister what stage has been reached in the process of awarding a new contract for the Post Office card account, which has been going on for some time.

The degree of complexity in the system clearly has the potential to cause worrying and damaging consequences, which are highlighted in the report. The first involves benefit take-up. I believe that there is considerable evidence that it is partly because of that complexity, the confusion that arises from it, and a sense that the system is highly intrusive, that many older people who are entitled to pension credit do not claim their entitlement. Last week the National Society for the Prevention of Cruelty to Children warned that, as well as worries about information sharing and the security of data, a sense of being at the margins—particularly among the most vulnerable claimants—might affect decisions on whether to claim benefits.

The hon. Member for Bradford, North dealt effectively with issues of fraud and error. There is clearly a relationship between complexity and fraud, and the detection of fraud, but it is important to bear in mind that what is described as fraud often starts as a straightforward misunderstanding caused by the complexity of the system, which can build up over time.

It is interesting to note that although the fraud figures have been falling, which is welcome, the figures for official error have not; in fact, they have been going up. One wonders to what degree that is a consequence of either the complexity of the system or the fact that there are significant ongoing staff reductions and changes within the administration of benefits which then cause official errors to increase. If we have a system where fraud has been cracked down on but official errors are increasing, there is an element of taking with one hand and giving away with the other.

The Government must ensure that there are proper systems in place, particularly as in the end it is claimants who suffer from official errors, especially when they result in benefits not being paid or benefit payments being delayed. I have certainly noticed an increase in such cases in my constituency; they might involve the time taken to pay benefits, paperwork getting lost, or the centralisation of benefit claims in large call centres causing problems in terms not only of getting through, but of information being recorded accurately and processed in a timely way. All those problems are, at least in part, consequences of the complexity of the system, which needs to be ironed out.

The report also highlights the important area of work incentives. Particularly in relation to high marginal deduction rates, work incentives can suffer as a result of a highly complex benefit system, especially one that is so hard to understand. It is now almost always the case that someone would be better off in work—we might talk about that further—but many people do not understand that they would be better off in work because the system is so fiendishly complicated. Reference has also been made to the impact that this entire process has on staff—on staff morale and staff understanding of the system. That is an important point, and the Minister must address it.

The report addresses in particular the question of the better-off calculation. It is almost impossible for any ordinary mortal to calculate for themselves, starting from whatever their circumstances happen to be, whether they would be better off in work. The Government have recently proposed that everyone who goes into work will be at least £25 better off—a better-off guarantee, so to speak. However, I was worried to note that that guarantee does not, as I understand it, take into account the impact on passported benefits, such as free school meals and prescription charges. Although the Government might well be able to make that guarantee in terms of the basics of benefits and tax credits, account must also be taken of the wider impact that that extra income will have in other areas of people's lives. Travel costs must also be taken into account. I noticed that the Government statement referred to the concept of reasonable travel

costs, but there might be quite a difference between what are considered reasonable travel costs by a constituent of mine in the highlands and by someone using the bus system in a big city—or by people in other rural parts of the country. A great deal more needs to be done in understanding what truly is a reasonable travel cost. That must be done, if that better-off issue is to be properly addressed.

My next point is that a complex benefits system leaves many claimants confused and having difficulty in understanding how the amount of money they receive is calculated—how those calculations are arrived at, and why they might or might not be entitled to different benefits at different times. That is made worse by the often lengthy form-filling processes people have to go through. Recently, a constituent came to my office asking for help in filling in the housing benefit application form, which was a lengthy document with an even lengthier set of explanatory notes. I think I was just about able to help, but it is an extremely complex and difficult process. Such processes can often lead to frustration, as information that is recorded on a form might be entered—perhaps inaccurately—into a computer system, and there is the "computer says no" phenomenon, in which people get a letter saying, "Your benefit application has been refused" and they then need to go through a lengthy process to put things right.

The Select Committee report also addressed the important question of costs, particularly in terms of telephone systems. It rightly identified the use of 0845 and 0870 numbers for helplines and in call centres. They are proliferating in the benefits system now that face-to-face contact appears to be a thing of the past in the Department for Work and Pensions. Those costs are enormous. Although the assumption is often made that people have a landline, so the rates are relatively cheap, the social fund's evidence is that up to half of the calls it receives are made from a mobile phone. Depending on the network operator, when someone calls an 0845 number, or even an 0800 one, from a mobile phone it can cost up to 40p a minute. They might end up being on the phone for anything from 10 to 50 minutes, depending on the helpline that they are calling and the reason for doing so. That soon adds up to a substantial sum that people are being asked to pay simply to get what most would say is their entitlement under the welfare system, which is supposed to be available to all.

Rob Marris: I entirely agree with the hon. Gentleman. Does he agree that paragraph 15 of the Government's response, on the 0845 numbers, is rather a weak response and that it is based on a misunderstanding? I understand that calls to 0845 numbers cost four or five times the cost of a regular landline call, so a local call on the regular landline might be 1p a minute whereas an 0845 call might be 5p a minute. We all know how long people may have to wait on the phone, and these interviews can be lengthy. Is he also aware that last December Lord Warner, who was then a Minister in the Department of Health, put out a circular specifically discouraging general practitioners' surgeries from using 0845 numbers? These numbers are another proliferation of back-door charging, but they are particularly distressing in respect of the Department for Work and Pensions, which deals with some of the most vulnerable and poorest people in our society.

Danny Alexander: I could not agree more. The hon. Gentleman rightly points out that these calls are more expensive even from a landline, and they can be massively expensive from a mobile phone. The Government often respond by saying that they do not obtain any financial benefit from these numbers, but that is not the point, because our constituents pay that money. It does not matter who the money is going to. We are talking about people who might be seeking to claim benefits amounting to £40 or £50 a week, so if they spend 50 minutes on their mobile phone calling a helpline that charges 40p a minute, I believe that that adds up to £20—the hon. Gentleman is better at maths than I am—and a significant chunk of the money that they hope to claim.

The Government need to do two things. They must make 0800 numbers standard throughout from landlines, and they must work with mobile phone operators to get the costs as close to nil as makes no difference.

Rob Marris: Or 03 numbers.

Danny Alexander: Or 03 numbers, as the hon. Gentleman says. It is a consequence of a situation that I described earlier that these systems appear to be set up in the interests of the system and not in the interests of the claimant. It is crucial in the development and simplification of the benefits system that the claimant's interests come first. This could be a quick win for the Minister, because the sort of instruction that was issued to GPs could equally be issued across the DWP, and I am sure that new phone systems could be put in place so that people calling the social fund helpline before Christmas do not have to pay huge sums. I hope that she will explain what she will do to make that happen. This situation is a consequence of what my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy) and I have described as the faceless state. The DWP is at the forefront of an increasingly faceless and bureaucratic system, where the system's interests are put far ahead of the claimant's.

I have been asked what can be done to promote the simplification of the benefits system. The first and crucial point, which the Committee makes in its report, is the need for drive and vision at a high level behind this process. The report is striking, and the language that it uses is strong for a Select Committee report. I did not mean to scare the hon. Member for Bradford, North, who is its Chair, but it came across powerfully to me that the Committee's analysis was that there is not a great deal of drive or vision at a high level behind the benefits simplification process.

Even in the hon. Gentleman's attempt at the close of his remarks to be kind to the Government in this area, he damned them with faint praise. He mentioned one or two small-scale improvements, but the report makes it clear that that drive at the high level does not exist, that the benefit simplification unit is simply not able, on its own, to deliver and develop this agenda, and that without the high-level commitment this agenda will not progress as it should. That is particularly the case in respect of another point on which I strongly echo the Committee; there is a need for a joined-up approach between the DWP and Her Majesty's Revenue and Customs, and between the benefits system and the tax credits system. The tax credits system is part of the

[Danny Alexander]

benefits system and should be seen as such, and there needs to be a much more joined-up approach.

We have talked about the idea that the DWP should be responsible for tax credits as well. The programmes are trying to do the same thing. The Chairman frowns; perhaps he thinks that the DWP is not up to it. It certainly seems clear from its performance that HMRC is not up to it, which prompts the question of who would be up to it under this Government. That question may be outwith the scope of this debate.

One area that could provide that joined-upness is the Social Security Advisory Committee. I am deeply disappointed that the Treasury is still unwilling to give it the same remit on tax credits as it has on the benefits system.

The "tell us once" initiative and the shared application process is another area where simplification could proceed. Today's announcement for pensioners was an example of what can—and should more often—be done.

Another area that causes people to suffer is benefit assessments. A constituent of mine was being assessed for incapacity benefit, industrial injuries disablement benefit and disability living allowance. Those three medical assessments took place in the same centre with the same doctor, each separated by a week. Over a three-week period, that person had to go back and forwards three times. I went to the centre to ask for an explanation, and I was told that the problem was that the benefits were handled in different areas. The systems did not talk to each other and they could approach the claimant only once they received the message that he needed an assessment. The idea that someone should have three separate assessments for three separate benefits in the same place three weeks in a row is absurd. In relation to disability benefits at least, the Government should consider developing a core assessment, so that it can be shared between the different systems to try to make the process easier.

The Committee rightly refers to the idea of a single working-age benefit and sets out a model for that in annex A of the report. The Institute for Public Policy Research has also made recommendations along those lines and my party adopted it as a policy objective at our recent conference. David Freud's important report refers to it as a key aspiration. The Chairman of the Committee is right to highlight the complexity of making a change on that scale and the associated difficulties, but the idea has important advantages in principle and in practice. There would be a clearer difference between a benefit designed to replace lost income and those benefits that are there to meet the extra costs that people may have, for example, through disability. Eligibility for those extra cost benefits would not depend on whether someone was out of work, as incapacity benefit does, or employment and support allowance will.

Miss Anne Begg (Aberdeen, South) (Lab): On pensions policy, I know that the Liberals want a universal citizen's pension. Would they also like to see the end of the contributory principle when it comes to welfare payments?

Danny Alexander: The contributory principle is important, and it was addressed in the report, which makes it clear that there are real difficulties, not least in terms of people's understanding of the benefits system. We have not proposed the abolition of the contributory principle across the board, but the Committee's report makes interesting reading for anyone who might want to further that agenda. The contributory principle certainly has implications for the complexity of the system and thus for people's understanding of it, so the hon. Lady makes an interesting and important point.

The single working-age benefit would also have advantages in terms of incentives to work. As identified in the report, drive, vision and leadership are needed to set that high-level objective and make progress towards it over time, in the way in which the Government of New Zealand have done. I had the chance to discuss that with some of the officials in the department working on the issue in that country, and they recognised the complexity of the transition, including grandfathering existing claimants and so on. Nevertheless, it would be a clear objective. I think that is the right direction for our benefits system.

Rob Marris: Does the hon. Gentleman agree that the next logical step might be to have a guaranteed minimum annual income, depending on an individual's circumstances?

Danny Alexander: That is not my party's policy, but I noted with interest what the Committee proposed in its report. The suggestion in Government's response had many of the characteristics of a minimum income, and it is certainly worth further debate. The objective is the right one, and the main questions are to do with implementation.

The simplification of benefits is crucial for the system's future, especially given that millions of people rely on the money that they claim to stay out of poverty. I therefore hope that the Minister will take careful note of what the report says, and of the points made in this debate. The simplification agenda needs a good kick from someone at ministerial level to replace the lack of vision and drive that the Committee has rightly—and sadly—identified.

5.41 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): It is a great pleasure for me, as a member of the Work and Pensions Committee, to contribute to this important debate, and to follow on from what our Chair said earlier. He outlined in detail the Committee's recommendations, and set the historical context for the simplification of benefits payments. The system has been growing in complexity over 30 years, not just the past two or three, and it is about time that we looked at the wider picture.

I shall begin by running through some of the problems identified by the Committee. We noted that people frequently encounter problems with computer-generated letters and with long waiting times at the end of a telephone, as the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) reported. In addition, difficulties are caused by contact centre staff who follow their scripts in a rigid way that means that they do not respond flexibly to those who ring them up. Problems also arise out of the complex interaction between benefits and tax credits, and people find it hard to acquire and understand the "better-off" calculations. In addition, the legacy benefits system to which my hon. Friend the Member for Bradford, North (Mr. Rooney) referred is both costly and complex.

I shall return to some of those matters in more detail later, but first I refer the House to the third recommendation in the Committee's report. It is important, because we want the Government to take a wider view of benefits simplification and of the system that they want to have in place, rather than adopting a piecemeal approach that merely involves dealing with individual benefits. We therefore ask whether all existing benefits are necessary, or whether some might be merged. We also urge the Government to examine the way in which the interaction between benefits and qualifying arrangements can differ, and to look at the overall purpose of the benefits system. That last idea sounds easy, but the world of work and society has changed since the system was first introduced. Our approach offers a new perspective, and it is one that I hope the Minister will take into consideration.

Why do we need to simplify the existing benefits system? One answer is that we need to make life easier for both claimants and staff. For instance, how many times have we, as Members of Parliament, had constituents come to us to complain about computer-generated letters? Such people may have received three letters from the same department—very often the Child Support Agency, it must be said—on one day, and another three on another day, but can they always work out what money they should get and when? No, they cannot.

Computers can do wonderful things, but someone has to give them instructions. Sadly, letters that can be generated at the push of a button do not always serve the interests of human beings, and that is a problem that I hope that the Minister will look at.

The point about long telephone delays has already been raised. Not only are such delays expensive for many clients, they are hugely frustrating. By the time the client speaks to the person at the end of the phone they are angry and may raise their voice, so the member of staff has to calm down a frustrated and angry client before they can talk to the client about their benefit entitlement. Furthermore, if the person at the end of the phone rigidly follows their script, they cannot deal with the complexity of people's lives, especially people who are entitled to a variety of benefits. A script can be of help to staff in contact centres, but they need to be trained to go beyond the script sometimes, so that they do not have to refer the client to many other people for an answer.

How can clients be expected to understand the complex interaction between benefits and tax credits? That complexity leads to non-take-up. As we are all aware, many people do not take up benefits because they do not understand how they work. Complexity leads to both claimant error and official error. The Chairman of the Committee outlined some of the tremendously complex aspects of the benefits system: for example, there are four sets of rules about backdated benefits.

The appeals system shows that the Government's intention to get things right at first contact with a client does not always work. All too often, the client appeals and their case is upheld. We need to make sure that the right decisions are made at the first contact.

Our report referred to the "better-off" calculations. If we are to convince people to come off benefits and go into work we need to get those calculations right, because people need to know whether they will genuinely be better off in work. It is important that we look at passported benefits such as free school meals and prescriptions. If a lone parent with three or four children gets a job, she will have to take into account the fact that in future she will be paying for school meals, which add up to a substantial amount each week, and she will have to pay for prescriptions for herself. If we do not give her full and comprehensive advice she will not be able to make up her mind whether she would be better off, so the calculations must be an honest assessment of all the financial implications of moving off benefit and into work.

Some complexity in the system may be not only necessary but desirable. I agree with the Chairman of the Committee that we cannot make the system so simple that there are only one or two benefits, with no add-ons. If we fail to recognise the complexity of people's lives we shall let down some vulnerable people. It was put to us that individual claimants and members of staff might have different definitions of complexity.

Miss Begg: My hon. Friend has done a lot of work with the organisation Every Disabled Child Matters, whose evidence to the Committee made it clear that in some cases complexity in the system is a good thing, if it means that vulnerable families or families with disabled children get more money than if the benefit had been universal. Does she agree?

Mrs. Humble: I agree entirely with my hon. Friend, who has anticipated what I am going to say next. The evidence that we received from the Every Disabled Child Matters campaign and the Child Poverty Action Group highlighted the fact that some complexity, to reflect the special circumstances of some people's lives, is desirable. However, it is undesirable for those people to have to go through a hugely complex system themselves. They ought to be able to access the information easily. I will return to that point in a minute.

The Every Disabled Child Matters submission to the Select Committee listed the many benefits, credits and grants that a family with a disabled child might be claiming at any given time. It is a long list, but I am going to read it out. Such a family might receive

> "Child Tax Credit from HMRC, Working Tax Credit from HMRC if working or Income Support from DWP if not, Child Benefit from HMRC, Disability Living Allowance from DWP, Carers Allowance from DWP, Housing Benefit from the Local Authority, Council Tax Benefit from the Local Authority, Disabled Facilities Grant from the Local Authority, Help with Health costs including fares to hospital from the Department of Health, Grants from the Family Fund".

It is not just that such families have to deal with Her Majesty's Revenue and Customs for the tax credit system and the Department for Work and Pensions for benefits. They may also be dealing with the Department of Health and voluntary organisations that support them. They want a system that makes life easy for them.

In the evidence to the Committee, there was reference to the one-stop shop, which in many ways has been the holy grail of the benefits system for many years. In recommendation 23, we ask the Government to look at the feasibility of Jobcentre Plus offices becoming one-stop shops for a range of Government agencies, and we say that in the meantime, the DWP should ensure that its links with other agencies are strengthened. That will help not only those with very complex family circumstances,

[Mrs. Humble]

but those with far less complex circumstances, because they too will avoid having to go to a variety of agencies to get the answers that they want.

The Committee identified some areas of good practice. I do not want the Minister to think that we are here simply to criticise. We received a lot of evidence about complexity and how it affects people's lives, but we were heartened by the fact that the Government have—through various pilots and through joint working, especially with HMRC and local authorities—delivered more integrated patterns of working. I hope that they will spread those examples of good practice so that the needy and vulnerable people whom the system is designed to look after will get the support that they need. The Government have set up a simplification unit in the Department, and I know that the disability and carers service is looking at its computer-generated letters.

Finally—because I know that colleagues want to speak—I want to make a point in support of the Chairman's remarks about the importance of our role in Westminster. In 1998, I spoke in a debate in the Chamber on the then Social Security Committee report on what was called the benefits integrity project. BIP was set up in the last few weeks of the Conservative Administration, and the Labour Government inherited it. If any scheme caused more chaos than BIP—*[Interruption.]* Well, perhaps the Child Support Agency did. However, BIP certainly caused administrative chaos and chaos among claimants.

In that debate, one or two Members of Parliament said, "It's disgraceful that decision makers for disability living allowance are causing so much panic among DLA recipients by their implementation of the benefits integrity project." I pointed out to Members on both sides of the House that the decision makers dealing with BIP were my constituents in Warbreck house in Blackpool. I said that we Members of Parliament had given them that job; we had determined the rules. They were working hard to implement the rules that we had set. If they were failing, it had to do with the task that we set them.

We in the House have a responsibility to make sure that benefits are as simple as possible to administer, and are complex only where that is vital to meet the special needs of the most vulnerable groups. We have to ensure that there are sufficient well-trained staff to deliver that service. Above all, we must put the claimant first and make the system as simple as possible for them. I know from my visits to Warbreck house and the disability living allowance headquarters that our staff do their best. They work very hard, but sadly, the benefits arrangements system is still too complex. Work still needs to be done, and I look forward to further progress.

5.55 pm

John Penrose (Weston-super-Mare) (Con): It is a pleasure to follow the Chairman of the Select Committee on Work and Pensions, and my fellow Committee colleague, the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), on this particularly important subject. I agree with both speakers' initial comments: we have one of the most overcomplicated benefit systems in the world. That point was also made by the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander). We have an unacceptably complicated system. One need only look at the extent to which the advisory guidelines for the benefit experts have multiplied to understand that we are well past the point of being helpful, and well into the territory of nightmares. I think that the Chairman mentioned that one book has gone from 250 pages to 1,600, and the other has gone from one volume to 32.

Hon. Members on both sides of the House have given facts and figures from a technical point of view. It might help if I illustrated the problems that the complexity causes with a couple of real-life examples. The first example was first given to the House by my hon. Friend the Member for South-West Surrey (Mr. Hunt) in debate on a ten-minute Bill that he presented in the Chamber on 20 June this year, which I had the honour to co-sponsor. He mentioned a gentlemen who had been hit by a runaway car while walking along the road. My hon. Friend said that

"he ended up in a coma and when he came round he had an acquired brain injury. As a result, he was unable to continue with his job. Someone in that situation is eligible for up to eight different benefits. If he were to apply for them all, he would have to answer a total of 1,275 questions over 352 pages.

Let me put that in context. An A-level student doing maths, physics and chemistry has to answer 510 questions. Someone applying to do a masters in law at Harvard has to answer 54 questions. So, our welfare state, which is supposed to be the pinnacle of a civilised society, makes a man with an acquired brain injury answer more questions than our brightest A-level students or our most ambitious lawyers. That cannot be right. I wondered whether, because disabilities are complicated, we needed to ask all those questions, but in fact 80 per cent. of the questions are repeated. A third of the questions are repeated twice and a quarter are repeated four times. Think not about the waste of employing Department for Work and Pensions officials to process the same information over and over again. Think not about how that money could be put to much better use. Think instead of the man with an acquired brain injury and the signal that this sends to him about our willingness as a society to help him piece his life together. Think also of those parents who discover that they have a child with severe disabilities and the signal it sends to them that we ask them to answer more questions than if they were applying for a mortgage, a credit card or a bank account."—[*Official Report*, 20 June 2007; Vol. 461, c. 1379-1380.]

That is the human cost of what we are trying to deal with. It is small wonder that we all agree that the situation is unacceptably complex.

The second example is in the written evidence given to the Select Committee inquiry by Hertfordshire county council, which is quoted on page 16 of the Committee's report. The council gave the example of two clients, a disabled pensioner and their partner. The written evidence states:

"They each have a full retirement pension. With the small occupational pensions that they have, they are just above the threshold for getting Pension Credit but they get partial help with rent and council tax. The disabled person claims Attendance Allowance which is successfully awarded."

This is where it gets horrible:

"The carer is then told about Carer's Allowance and makes a claim. It then has to be explained to the carer that they will get a letter disallowing their claim, as their retirement pension is higher than the Carer's Allowance. Armed with that letter, they then have to reapply for Pension Credit and may now qualify because of the inclusion of a carer premium in the calculation."

I hope the House is following this carefully. The written evidence continues:

"If Pension Credit is awarded, they will get additional Housing and Council Tax Benefit. If Pension Credit is not awarded, the carer should still get some additional Housing Benefit and Council Tax Benefit on application."

Hertfordshire county council goes on to say:

"It is almost impossible to explain this sequence of events to a lay person. Advisers are telling them that, if their income goes up, by virtue of the attendance allowance, they have to claim an additional benefit that we know in advance they will not get, in order to get fresh or higher entitlement to other benefits that were previously refused or reduced because their income was too high!"

Bill Wiggin (Leominster) (Con): In his correspondence with the Government on the subject, has my hon. Friend noticed that clients, as our constituents are called, are supposed to understand these systems and take some sort of responsibility for something that it is almost impossible to explain to them?

John Penrose: I thank my hon. Friend for that intervention. I shall come to the problems of unintentional error by claimants, caused by precisely the situation that he describes.

We have had a series of examples and analyses of the kinds of complexity that we are dealing with. The causes of that complexity can be boiled down to six pathologies—six underlying problems that we must address—which I shall deal with in no particular order of importance. First, there is means-testing, up front or once a benefit has been granted and we are into the territory of benefit withdrawal rates.

Secondly, anything that requires people to fill out a long and complicated form to explain their financial situation, and then to fill out yet more forms every time their finances change, is a huge layer of complexity—problems arising from changes of circumstances. Anything that requires people to update bureaucrats about changes of circumstances, such as changes in family circumstances caused because they have got divorced, left their partner or got married, as well as the financial alterations that I have just described, creates horrendous layers of complexity.

The best example, perhaps, is people who are likely to take temporary jobs and cycle in and out of work frequently during the year. They have to go on and off benefits, and on and off tax credits. By and large, the delays in processing those applications mean that they are always behind and out of date, and just as the administrative arrangements are becoming organised for a person's current situation, life changes again and they have to go back to square one. Small wonder, therefore, that getting a job is not only difficult for those people, but discouraging.

Thirdly, we have far too many tightly drawn small-scale benefits. We have already heard two different figures during the debate. One was 51 different benefits, but the Chairman of the Committee counted 40. I suspect that if we included all the passported benefits, we could probably come up with a third figure. All those narrowly drawn benefits have narrowly drawn eligibility rules, which are all different. That means that if people have to apply for multiple benefits or move off one benefit and on to another, there are yet more forms to fill in. The first example that I gave of the gentleman who could have applied for eight different incapacity benefits illustrated that nicely.

Fourthly, the linking rules are probably more complicated than the benefits. Every time people move off one benefit and on to another, then back again on to a third, there are linking rules about backdating and the interacting effects. If claimants thought they were confused when they looked at the benefits, the linking rules would drive them to drink when they tried to understand them.

Fifthly, as the Chairman of the Select Committee mentioned, Members of the House have a propensity to introduce regular amendments and initiatives. We all think that we can improve things and make the system better, but every time we lay yet another bright idea on top of the already toppling complex system, it just makes things worse. We need to understand that if we are to introduce amendments, they must reduce the total amount of legislation and the total complexity, rather than add to them.

Finally, another area of terrible complexity is straightforward administrative inefficiency; we have heard examples of that from both sides of the House. The hon. Member for Inverness, Nairn, Badenoch and Strathspey mentioned someone who had to turn up three times, roughly a week apart, to the same centre to have the same medical assessment for three different benefits. That is a classic example of administrative inefficiency, and I am sure that Members on both sides could come up with dozens and dozens more.

Those are the underlying causes of the symptoms, examples of which we have all been exchanging, but we also need to bear in mind that making things tidier is not just an academic exercise; there are also serious and vital advantages to having a simplified benefits system, and it is worth reminding ourselves about them because they are the prize at which this debate is aiming. They are simple, and there are far fewer of them than the causes of complexity—there are three or four at most.

First, we can reduce error. We can do that on behalf of staff. They need a PhD to understand most of what is going on in the system at the moment; it is therefore understandable that mistakes are made—and that is before we move on to the problems caused by computer systems, which my Committee colleague, the hon. Member for Blackpool, North and Fleetwood, mentioned. The complexity is also a problem for claimants, because as we have just heard, they cannot be expected to understand the entire system. They are even less likely to understand it than the people who work as benefits experts within the system. Inevitably, claimants will make mistakes. That makes life hard for them and potentially exposes them to accusations of fraud even if they make a mistake in good faith.

The second advantage to simplification is that we can improve take-up. It is striking that child benefit, one of the simplest benefits, has one of the highest levels of take-up of any of them. It is one of the most successful, and the impact on poverty and on reaching the Government's stated objectives for the benefits system would be profound if we could improve the take-up of other benefits in the same way. That might cost more, but I understand that the Government have reserves in their financial estimates.

Danny Alexander: The hon. Gentleman has made an important point. Is he aware that, taking unclaimed tax credits and unclaimed benefits together, about £10 billion was not taken up last year?

John Penrose: There are numerous different estimates of the size of the problem, but I completely agree that there is a significant problem with low take-up. The Government have admitted that too; they have put aside a reserve for improvements in take-up if that can be achieved. They also aim to deal with the problem and they appreciate that it has a financial impact.

The third and perhaps most important advantage of simplification is the potential improvement in work incentives. During this debate, we have heard about the better-off calculation. It might help if we pause to understand what that involves: a half-hour interview with a benefits expert in a benefits office. The expert has the advantage of a large and complicated piece of software to do the calculation. I am sure that everybody here will agree that that is not a work incentive. Even if the better-off calculation comes out positive, as it does in most cases nowadays, the person has to go to somebody else's office, sit down with them for half an hour and have a complicated and intrusive conversation to work out that they would be better off. That is the very opposite of a work incentive, which has real force only if the job offer or job advertisement in the jobcentre or anywhere else makes a person think, "Aha! If I take that job, it will pay me."

Waiting for three weeks for an appointment and going through the process that I have just described is not a work incentive in any meaningful way, although it might be arithmetically correct that the person would be better off after the calculation. Simplification and making the point abundantly clear to everybody when they make the personal decision about whether they should go for a job, rather than later on, is essential and will be a vital and significant advantage of simplification if it can be achieved.

What are the Government doing to move towards that agenda? To be fair, the Committee noticed significant signs of progress in some respects. We were particularly impressed by the Lean pathfinders, which are an attempt to produce an almost Toyota-like continuous improvement cycle by asking staff who are involved in benefits processing how to improve what they are doing, then taking their ideas, getting them into the system fast and putting them into practice. That struck all of us as a wholly admirable initiative that should be rolled out quickly. Secondly, there is "My DWP"—an attempt to solve some of the problems of multiple different application forms, with a pilot in Wallsend. That could also be tremendously valuable. Thirdly, let us not forget the efforts of the benefit simplification unit, which is small but none the less has a role to play and has had some success in preventing the problem whereby successive waves of improvements stemming from suggestions in this House add to complexity. The unit provides a valuable service in spotting which proposed improvements will add to complexity and which will reduce it. That is an essential service that has been long neglected.

The problem with all three of those Government initiatives, important as they are, is that they are essentially bottom-up. They try to create improvements in administrative efficiency and better processing in the existing system but make no attempt to address some fundamental problems of benefit design. Four of the six causes of complexity that I mentioned relate to means-testing, changes in circumstances, having too many small benefits with too many tightly drawn eligibility rules, and the linking rules. None of the initiatives addresses the fundamental design problems that cause those difficulties. They address two of the six causes of complexity—regular amendments and initiatives and administrative inefficiency—but not the four most difficult and fundamental causes. The Government's approach is rather like that of the man who was found in the middle of the night searching for something under a street light. When a passer-by asked him what he was doing, he said, "I'm looking for my keys." The passer-by, trying to be helpful said, "Where did you lose them?" The man replied, "I lost them about 100 yards down the road, but there's no street light down there so I'm looking for them over here instead." The Government are not looking where the real problem is. They must face up to the fact that if they are to make significant progress on these fundamental design issues, they will have to try an awful lot harder and face up to some much more knotty problems than they are currently willing to address.

It would be perfectly reasonable to say, "This is hard, and we haven't got all the answers." Nobody has all the answers. However, the Committee's criticism, which was echoed by the hon. Member for Inverness, Nairn, Badenoch and Strathspey, was that we do not see sufficient evidence of vision and drive in addressing the four, admittedly difficult, fundamental problems in our benefits system. I am hoping to hear from the Minister about that. In our report, we attempt to start a national debate. As the Chairman of the Committee said, a commission on benefits reform may be necessary.

The Committee's proposal is not perfect or complete —we all admit that it has plenty of flaws—but we all signed up to it as a thought-starter: a way of getting the debate under way and trying to tickle from the Government some sort of statement about their vision in terms of creating a drive towards the kind of simplified benefits system that we describe. We are saying to the Government: "Here is a starting point for this debate. Please will you either come up with a better vision or tell why this one is wrong, so that we can at least start to create the sort of national conversation that will be needed to create the democratic consensus across the political spectrum and get this solved?" It has been done already; the Government had the courage to do it on pensions reform, and a similar sort of initiative is required in this case.

We came up with such an idea. It is in annex A to the report, and I am pleased to hear that the hon. Member for Inverness, Nairn, Badenoch and Strathspey has taken the trouble to read it. That probably makes three of us who have actually got through the thing. *[Interruption.]* Three of us outside the Committee, I should point out. We had high hopes on the Committee that the Government would use that idea as a starting point, and as a springboard. We hoped that we would see some sort of attempt to engage with it in the debate.

The idea has flaws, but there are at least two things that are seriously worthy for consideration as a thought starter, which might lead to the building of a

consensus. One is the idea that we should combine working age tax credits, jobseeker's allowance, income support and the new employment support allowance in one overall benefit, with the condition placed on it that a person would have to be willing and able to work before it was paid to them. That may or may not be a good idea, but it is seriously simpler than what we have at the moment, and it avoids an enormous amount of the problems related to change of circumstances and to the cycle of people going in and out of work that I described before. It also avoids the problems relating to the linking rules.

We proposed a marginal deduction rate as a clawback mechanism to avoid the problems of means-testing, where anyone who went into work would have their benefit withdrawn at a particular rate to be decided by the Government. Such a system would be an awful lot faster and simpler to administer than the current tax credit system, because it would simply require the Department for Work and Pensions to inform Her Majesty's Revenue and Customs of a single number for every person earning a wage, which would then be withdrawn through their tax code. Again, that may be a good idea or it may not, but all we wanted was a constructive and considered response from the Government. I am sad to say that that is not what we got. On page 18 of the Government's response, they afforded the entire idea only this:

"The Committee's model is more radical—a form of Citizens Income"—

incidentally, it is not. Then went on to say:

"As described it appears, at least at first sight, to carry a risk of both very high expenditure and reduced work incentives."

Full stop, end of response.

As an attempt to start a debate, that is absolutely pathetic. I am sad to say that it is not just pathetic, but also intellectually lazy, complacent, arrogant and weak, and I believe that it shows that the Government are scared. I know that we need to do better, and I sincerely hope that the Minister will say how the Government propose to do better.

6.17 pm

Miss Anne Begg (Aberdeen, South) (Lab): I intend to speak for only a few moments because I do not want to repeat all of the points already made by other hon. Members. We all agree that the benefits system in this country is extremely complicated. We all agree that it should be simplified, and I suspect that we all agree that we are not quite sure how that might be achieved. Achieving that end will probably be a lot more complex that it first appears. The hon. Member for Weston-super-Mare (John Penrose) was perhaps slightly modest in not explaining that most of the ideas in annex A, which he has just outlined, were his own, but he is right to say that the rest of the Committee bought into them.

I have been attracted to the concept of a single working-age benefit since I joined the Select Committee on Work and Pensions in 2001. However, the longer I have looked at how it might work in practice, the more I have realised that a single working-age benefit would be much more complex than some of those who propose it lead us to believe. It is superficially attractive because it seems simple and clear, but we need to ensure that those who lead complex lives or have complex needs continue to get the support that they do under the present system, despite its complexities and all the forms that individuals have to fill in. As a country, we need to decide a way forward, and work out the best way to simplify the benefit system in order to get the son of Beveridge; 60 years on, our country is a different place, and we need a very different benefit system.

The proposal in the Select Committee report for a welfare or benefits commission along the same lines as the Turner commission on pensions is the right way forward. There has been a unified voice in the Chamber this afternoon, saying that that would allow the Government to take time, stock and even a step back and begin to consider the benefits system as a whole rather than its individual pieces, and instead of tinkering with improvements and reforms here and there. We all know that reforming one part of the benefits system often has unintended consequences and knock-on effects on other parts. Therein lies the problem and the complexity.

Often, for the best of reasons, attempts have been made to simplify benefits, but we have ended up with historic rights, which the Chairman of the Select Committee mentioned this afternoon. For all the reasons to which he referred, and because we still operate systems to ensure that individual claimants are not worse off in cash terms, we have a complex system.

The Government now have an ideal opportunity to act because, for the first time in several years, a brand new benefit is being introduced—the employment and support allowance. The basis for that allowance could be the basis on which a single working age benefit could work. Some of the groundwork has already been done, but we need a much broader investigation into what a benefits system in the 21st century should be and how the different elements should interact.

I honestly believe that a commission, led by someone of the stature of Lord Turner—I do not think that he would necessarily take it on—could build political consensus. In the same way as we needed political consensus for a pensions system that would last not for 10 or 20 but for 50 years, we need to build a welfare system today that will, like that of Beveridge, last for 60 years. We cannot do that without all-party support, or without engaging with not only people in this place but those who depend on the welfare system, and wider society.

I genuinely encourage the Minister to consider seriously the proposal to set up some sort of welfare or benefits commission to ascertain whether we can progress and have holistic change, which makes sense. That would ensure that we were not back here in five years—

Chris Ruane (Vale of Clwyd) (Lab): I hope we are back here in five years.

Miss Begg: Yes, I, too, hope that we are back in five years, but talking about the commission, not still discussing how awful and complex the benefits system is and how it continues to fail the most vulnerable people in society. I hope that the Minister will take our comments and the proposal for a commission seriously.

6.23 pm

Harry Cohen (Leyton and Wanstead) (Lab): I, too, will try to be brief because I support the comments of my colleagues on the Work and Pensions Committee, who made good speeches, and I endorse the report, to which I contributed and was happy to sign up.

Before I came here, I was in discussions with my caseworker. The Minister will receive a bit of an angry letter about my constituent, Mr. Brandon of Leyton. He is suffering from cancer and has survived two attacks of C. difficile. I do not say that the Benefits Agency was not trying to be helpful—it was, initially. It offered him benefits for which he might have been eligible. However, in the end, the position was too complex for it and for him. He has written a sad letter saying, "I now withdraw my claim." Yet I can look at the case and say that I am sure that he is eligible for other benefits. That is an example of the complexity of the benefits system.

We have a high level of poverty in this country. Indeed, reducing child poverty is one of the Government's targets. There are two main reasons for that: the fact that benefit levels are too low—I want to make a quick point about that while I have the chance—and the complexity in the system. There is a high level of unclaimed benefits, which just go back to the Treasury coffers and are not redistributed to alleviate poverty. Although that money is allocated initially, it makes no impact, which is a great shame.

Benefit levels are too low. The Child Poverty Action Group has given as an example of that the category of families with disabled members. Under the heading "Adequacy", the group says:

"The poverty line for a couple with children aged 5 and 14 years is £306, but the out of work safety net income is £204.44—just 67 per cent. of the poverty line income. DWP's own research suggests that DLA is insufficient to meet the extra needs of disability."

Only yesterday the Royal National Institute of Blind People lobbied for higher levels of disability living allowance for blind people. I agree with that and with the point that the hon. Member for Weston-super-Mare (John Penrose) made about child benefit being effective and about its big take-up. That could have an impact on meeting our child poverty targets. I argue—I have the floor, so I have the chance to argue—for a higher level for second and subsequent children, which is also part of an ongoing campaign.

On complexity, the main point in my speech is about the case for co-ordinating the criteria, so that organisations such as Citizens Advice can make applications that then link up with each other, and so that if someone is eligible for a benefit, they receive the other benefits for which they are also eligible. When we were in the United States as part of our investigation for the report, we saw that in operation. One particular charity group—the equivalent, almost, of Citizens Advice—had a form on the stocks that could be taken forward and applications made. We are long way from that in this country, which is a great shame. We need to combine a number of the benefits or link the criteria for them.

That relates to the other points made by the Child Poverty Action Group, about a rights-based ethos, which would enable decisions to be challenged where they were thought to be wrong and act as

"a powerful lever to improve decision making."

The group's briefing continues:

"Claimants should have access to the information and advocacy that will help them understand and access their welfare rights."

I have two more brief points to make, about Help the Aged's representations to us. First, the charity says that there should be more automatic payments of benefits, saying that they should be

"driven forward urgently in order to tackle the problem of low take ups. If implemented well over 500,000 pensioners could be taken out of poverty."

Help the Aged's other point is that the Pension Service should have

"the investment it needs to offer Pension Credit, Housing Benefit and Council Tax Benefit to all pensioners over the phone rather than just offering these three benefits to those eligible for Pension Credit."

The Pension Service currently just has to send out a 28-page form if it thinks that a pensioner could be eligible for those other benefits. We can do a lot more in that field.

A lot more can and should be done. The Committee was right to draw attention to the need for a vision and the drive to implement it. I urge the Minister to that end.

6.29 pm

Mr. Mark Harper (Forest of Dean) (Con): I congratulate the hon. Member for Bradford, North (Mr. Rooney) on securing this debate and on chairing the Committee, and the members of the Committee, many of whom are here today, on their diligence and hard work in holding the Department and its Ministers to account, as is their proper role.

Interestingly, at the beginning of the debate, the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) spoke about the purpose of the benefit system. There are many different analyses of that. A report by the social justice policy group chaired by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) contained a particularly pithy definition:

"The benefits system plays a crucial role in tackling economic dependency on the state."

However, it also highlighted the tensions:

"It is necessary to ensure that the most vulnerable people in society are protected against the ravages of poverty, while at the same time avoiding traps for those who could otherwise be earning a living."

That is important, because most people agree that there is lots of evidence that the best route out of poverty is work. It is important to note, however, that some people are genuinely unable to work, and the benefits system must provide them with the level of support that allows them to live in dignity.

There is general consensus, reflected in the Committee's report, that the UK's benefits system is hampered in achieving that by complexity. The Committee's Chairman highlighted the hugely increased complexity of documentation since his time as a welfare rights adviser. The Committee's report concluded that, while a welfare system trying to cater

for millions of people with many different needs will never be simple, the UK's benefit system has an,

"unacceptable amount of dysfunctional complexity".

Therefore, there is a fair amount of work to do.

One underlying theme of the Committee's report is that the simplification process needs to focus on people—both the experience of those who claim benefits and, as several Members mentioned, the experience of those who run the system, whether in a front-line Jobcentre Plus or in a headquarters, to which the hon. Lady referred. That is why we are considering approaches that have more involvement from charities, voluntary bodies and private companies that already have a great deal of expertise in the area—in particular, an understanding of the personal, emotional needs of people and of how to make the system ever more responsive.

The Committee Chairman acknowledged that good intentions, which are prevalent in this area, often fail to deliver good outcomes. I am happy to acknowledge that the Government and the Prime Minister have a desire to combat poverty, although a number of indicators suggest that they have not been entirely successful. Five million people are on out-of-work benefits, and nearly 1.5 million have been on incapacity benefit for more than five years—up by nearly 250,000 since 2001. The number of young people out of work is rising—1.25 million young people between 16 and 24 are not in work or full-time education, which is almost 20 per cent. more than in 1997. The number of children in workless households is the highest in the EU. Obviously, those issues need to be tackled, and many would be improved were the benefits system less complex.

Part of the complexity comes from having different parts of Government dealing with the system. One or two Members mentioned that tax credits are delivered by Her Majesty's Revenue and Customs, while many other benefits are delivered by the Department for Work and Pensions. In its recommendation 14, the Committee concluded that

"any attempt to simplify the benefits system must take tax credits into account."

The Government's response referred to a number of joint working arrangements between the two Departments. If the DWP and HMRC are to work closely together, it is essential that data are protected. We all know the problems that there have been with HMRC, and it would be interesting if the Minister set out the arrangements that the DWP has in place. I tabled a number of questions due for answer last week about exactly what procedures the DWP had in place for protecting personal data. I am still waiting for answers to those. If all those procedures are in place and well understood, answering those questions ought to be relatively straightforward. The fact that they have not been answered suggests that there might be gaps.

One of the other problems of complexity is error, which several Members have mentioned. I am perfectly happy to accept that some progress has been made, but it is still the case that in 2005-06 there was almost £1 billion of official error and £1 billion of customer error. In fact, error is now a much bigger problem than fraud, as I think the Chairman of the Select Committee acknowledged. That should clearly remain an important focus.

Another problem with complexity is the impact on personal behaviour of means-testing. One or two Members mentioned that up to 40 per cent. of pensioners entitled to the pension credit do not claim it. Proposals in a statement earlier today to make some of the claiming processes more straightforward were welcome. Indeed, the hon. Member for Milton Keynes, South-West (Dr. Starkey), the Chairman of the Communities and Local Government Committee, referred specifically to council tax benefit take-up. A range of issues about data transfer between Departments are relevant to making that more straightforward. That problem clearly needs to be tackled.

Another issue that has not been mentioned was the focus of a report by the right hon. Member for Birkenhead (Mr. Field). As is made clear in that excellent recent report, the tax credit system brutally discriminates against two-parent households because it does not correctly reflect the cost of the second adult in the family. The report specifically concluded that the Government should take the "single immediate step" of ensuring that any new money for the tax credit system

"should be used to lessen and then abolish the system's discrimination against two parent households."

That would help towards targeting help

"towards the largest group of poor children",

which would make a big impact on the Government's child poverty targets. I am very pleased that at our recent party conference, my right hon. Friend the Leader of the Opposition committed us to removing the couples penalty and moving the working tax credit that couples receive to bring them into line with the rest of the benefits system. According to the Institute for Fiscal Studies, that would mean 1.8 million of the poorest couples with children gaining on average £32 a week.

Mr. Rooney: For purposes of clarity and honesty, what we have had from the hon. Gentleman is a statement, but with no commitment to putting in the money to match the promise.

Mr. Harper: I thank the Chairman of the Select Committee for the opportunity to say what I was just coming on to in my remarks. The source of the funding for that promise will come out of our reforms to the welfare system and our getting more people back to work. One of the first calls on those resources will be removing the couples penalty.

Danny Alexander: Will the hon. Gentleman give way?

Mr. Harper: Briefly.

Danny Alexander: Will the hon. Gentleman list what the reforms are? He referred to the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), but it is interesting to note that not a single reform to the benefit system was included in his 600-page social justice commission report. It concluded at the end that the issue should be handed over to another commission. Ideas seem to be thin on the ground, unless the hon. Gentleman is going to mention one or two more.

Mr. Harper: It is very clear that we can save money by moving more people back into work—an objective that the Government share. There are 5 million people on out-of-work benefits and the Government accept that 4 million of them are capable of working. If we make a significant amount of progress towards that objective, we will clearly save a great deal of money.

Mr. Rooney: That is just an aspiration.

Mr. Harper: It is indeed an aspiration. I am pleased to be accompanied on the Front Bench by my hon. Friend the Member for Hertsmere (Mr. Clappison), who is working on our policy in this area. We have had our recommendations from the social justice policy group, which is continuing with further work, and my hon. Friend will take those measures forward to produce our policy proposals for the next general election—unlikely to be upon us very quickly, giving us more time to flesh out some comprehensive and well-developed proposals.

The Chairman of the Select Committee raised the question whether complexity was indeed inevitable. He suggested that a certain amount of it was. The hon. Member for Aberdeen, South (Miss Begg) said that she had examined our proposals, largely put together by my hon. Friend the Member for Weston-super-Mare (John Penrose), for a single working-age benefit. She said that the more she studied them, the more she was struck—particularly on the basis of evidence put to the Committee by the Every Disabled Child Matters group—by the fact that a very simple benefits system may not be able to deal with people who have more complex needs. Some of the evidence submitted to the Committee referred to the tension between a simple system and one that ensured that help reached those who were most in need. That is clearly an issue with which the Government will grapple.

I want to say something about the benefits that may be claimed by disabled people, although I shall be able to spend slightly less time doing so than I expected. The hon. Member for Blackpool, North and Fleetwood read out a long list of such benefits, and my hon. Friend the Member for Weston-super-Mare mentioned the ten-minute Bill introduced by my predecessor in this job and gave a very good illustration of the human impact.

If Members were to look at all the questions that a disabled person applying for a range of benefits might have to answer, they would be looking at well over 1,000 questions covering hundreds of pages. The tragedy is that fewer than a fifth of those questions are unique. Forty per cent. are repeated on at least three forms and 16 per cent. are repeated on half the forms, which is certainly complex.

I should be grateful if the Minister would consider whether, at least at an initial stage, a single benefit such as disability living allowance could serve as a gateway benefit. Perhaps, with the claimant's permission, the data provided could be shared and could act as a gateway for other benefits. I think that a Labour Member mentioned that idea earlier. It is not simple, in that it would involve the development of IT systems, with which the Government have not had a huge amount of success so far—although, to be fair, that is a problem with which all Governments grapple—but I think that it would be a positive step.

That may have been suggested by the Conservative party, but the Government like taking ideas away, and we would congratulate them if they took this one away and shared it. In fact, the Select Committee considered a similar idea in some detail during its trip to California: the one-stop application system mentioned by the hon. Members for Leyton and Wanstead (Harry Cohen) and for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander). I commend it to the Minister.

The hon. Member for Leyton and Wanstead mentioned, in the context of a constituency case, people who suffer from ill health and who feel that the last thing with which they want to deal is benefits. Back in 2006, my hon. Friend the Member for St. Albans (Anne Main) presented the Attendance Allowance and Disability Living Allowance (Information) Bill. It dealt specifically with people who, having been diagnosed with a terminal illness, are entitled to claim a range of benefits and find that there is no effective gateway between the diagnosis and the benefits system. That is another issue that the Government could consider.

The hon. Member for Wolverhampton, South-West (Rob Marris) seemed to criticise the Government's weak response to recommendation 11. That was particularly interesting, given that he is Parliamentary Private Secretary to the Secretary of State for Northern Ireland. It is unusual for someone in that position to be brave enough to criticise the Government, and I hope that it does not cause the hon. Gentleman any disadvantage.

I can think of no better way of ending my speech than quoting the Committee's own words:

> "We conclude in this report that whilst efforts are being made to simplify benefits, the piecemeal approach that the Government has taken so far is 'nibbling at the edges' of our vast and hugely complex social security system. We do not deny that tackling dysfunctional complexity is an epic task but we are disappointed that the Government has not set out a clear vision of a simplified system."

The words "clear vision" probably resonate with the Minister. The Prime Minister, of course, has told us that he will set out a clear vision of the future of his Government. We are still waiting, but perhaps the Minister will nudge us towards that vision when she winds up the debate.

The report continues:

> "If simplification is indeed a priority, the Government should outline what a simpler system might look like, steps to reach this goal and set out a timetable to achieve it."

I hope that the Minister will make some progress towards addressing the Committee's conclusions.

6.45 pm

The Minister for Employment and Welfare Reform (Caroline Flint): This has been an informative debate, and I congratulate hon. Friends and other Members on their constructive contributions. In all parts of the House there has been an acknowledgment that for decades, Administrations of all persuasions have been caught in a cycle of constantly adding to the system without necessarily trying to get hold of it in a way that enables us to look forward to change. I shall try to address that subject, as well as the individual points raised by Members.

I congratulate my hon. Friend the Member for Bradford, North (Mr. Rooney), the Chair of the Work and Pensions Committee, on securing the debate and on ably opening the discussion. He has also brought to bear his experience as a welfare rights adviser.

I have done a quick count, and I think that the Department for Work and Pensions provides 22 benefits, five of which are no longer open to new claims; local authorities pay two benefits; Her Majesty's Revenue and Customs pays four benefits if we include tax credits; and four statutory payments are made by employers, making a total of 32. Therefore, this matter clearly raises challenges for us, but I must add that it is also about the complexities of needs, and that raises a lot of issues in terms of whether we should have a blanket approach. That could be hugely costly to the taxpayer, and having just a single approach across the piece might not be fair in terms of addressing the requirements of those with complex needs. However, we have heard enough evidence this afternoon that there is undoubtedly more to be done in trying to reduce the complexity in the system and in having some analysis of the way forward. The approach must be not only for next year or the next five years, but, as my hon. Friend the Member for Aberdeen, South (Miss Begg) indicated, there must be a generational change for the future, so that we can at least take some steps on a journey towards a destination that—I hope we can achieve a consensus on this—is better than where we are today.

We have set up in the Department a dedicated benefit simplification unit. Every submission I get has a little note from the unit attached to the bottom on whether or not this is helping the system. I hope the House will accept my assurance that I have not had too many disagreements with it on that front, and it is pleasing to see the notes attached to the submissions because they act as triggers for thought. A number of changes have been made in the first year, such as aligning the treatment of charitable, voluntary and personal injury income across all benefits, consolidating more than 200 statutory instruments introduced since the start of the housing benefit scheme way back in 1988, and aligning the capital limits across the working-age benefits.

Further simplifications were included in the Department's 2007 budget settlement, such as ignoring all final earnings, including holiday pay and pay in lieu of notice, on new claims to benefit. That removed the need for about 1.7 million inquiries to employers each year. My hon. Friend the Member for Bradford, North made that point. I am pleased to be able to say on that front that although the original proposal was that we would do that from April 2008, we actually introduced it from October this year. Again, we met our aspiration of making greater progress in the timing and delivery of that change.

Another simplification was to pay all Jobcentre Plus working-age benefits a minimum of two weeks in arrears on a common pay day. That will remove the current mix of different pay periods and the confusion caused when customers change from one benefit to another. Yet another simplification is aligning the treatment of income from sub-tenants across the benefits system by introducing a flat-rate £20 disregard. Today Members will have heard the uprating statement which announced a further substantial package of measures to simplify the state pension system, including process improvements to enable housing benefit and council tax benefit to be claimed over the telephone at the same time as state pension and pension credit. I think we would all agree that that is the right way forward, and it sets an example of what might be achievable in other areas. Due credit has been given to the way that, particularly in the Pension Service, the opportunity has been taken to look more innovatively at practices and how to carry them out.

We are also simplifying the structure of income support and jobseeker's allowance by removing the lower rate for 16 and 17-year-olds so that from April of next year single 16 to 24-year-olds will all be paid the same rate. That is another way in which we have removed complexity from the system.

We are redesigning our benefits services. It is the ambition of us all that customers should not have to go from one place to another to get the help that they need. The Department's change programme will bring in a no-wrong-door approach, which aims to meet the majority of our customers' needs through a single contact. I appreciate the comments about how we are looking at the Lean ideas and how they can be applied within the Department for Work and Pensions—I was interested in how they could be used in the national health service when I was a public health Minister. Our staff who have been engaged in that work have found it satisfying. They sense that they can have an input that will be listened to, because they are on the front line and know where things work and where they do not.

We are trying to improve our self-service channels. From next spring, customers will be able to access a secure online account via Directgov. As has been said, the future is online. This is about examining people's need to access these sorts of services. The work that we have done to provide them in community settings for those who could not necessarily afford to have the technology in their own home is one of the ways in which we provide a more inclusive service for people, rather than a service that is exclusive. I shall touch on the important issue of data protection later.

Part of the reason for having that online service is the fact that it will be able to answer a few simple questions in the initial stages. It will then advise customers what benefits they might be entitled to, and work out how much they might be entitled to receive. Importantly, our ambition is that it will signpost them towards other services of which they might not be aware, such as pension forecasts or our internet job bank. We are examining how we can group and package products together to meet the needs of specific groups.

We are again working with others. Mention has been made of our work with Her Majesty's Revenue and Customs and local authorities to see how we can pull together the areas of benefits, tax credits and housing benefit, which are often seen as separate. We have had success with the initial pilot in the north-east, and the scheme is now operating in seven other areas. It has reduced the amount of time taken to process those different parts of someone's financial package. In addition, when someone is making the transition from being on benefits to being in work, their knowing that that process and its financial meaning will be worked

[Caroline Flint]

out quickly is an important incentive. I agree with the hon. Member for Weston-super-Mare (John Penrose) that better-off calculations are useful at any stage, but they are most useful where there is a job for someone to go to, and where people can see joined-up thinking and what things will mean for themselves and their family.

We are working on collecting information once and sharing it more accurately and quickly to make it easier for customers to get the financial support that they need if they lose their job. That enables them to focus their attention on getting back to work. A working group across Jobcentre Plus, the Pension Service and the disability and carers service has been set up to make improvements in how we deal with customers who need access to disability services and working-age or pensions support, and customers making the transition from working-age to pensions support.

A number of contributions were made in this debate. My hon. Friend the Member for Bradford, North talked about error, and I acknowledge that that is an important factor to which we must attend. Initially we looked at reducing fraud, because we saw that as a priority. I think that the loss of resources through fraud is at two thirds of its 1997 level. We are now focusing on the problem of error. In January, the Department launched a comprehensive and ambitious strategy for reducing official and customer error across all benefits, entitled "Getting welfare right". We aim to deliver estimated savings of about £1 billion over the next five years to 2012. I agree with the comments made about the fact that some of this is helped by simplification, and as has been rightly pointed out, some customers make mistakes because the system is too complex for them to navigate.

My hon. Friend talked about transitional protection, which, again, is one of those legacy issues that we inherited. We heard comments this afternoon about how everybody complains about the system, but there is no shortage of people wanting to add on to the system. We have to be more disciplined about our approach. My final comments will draw attention to the debate that we must have following on from the Select Committee report on how the benefits system of the future might operate.

My hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) made an intervention about council tax benefit. It is a rebate. People's council tax accounts are rebated at source by the local authority. Renaming it as a rebate may encourage more people to claim, and we will consider renaming it as part of our wider consideration of future delivery.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) made several points. He mentioned the cost of phone calls, and that was picked up by my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble). Concerns have been addressed and we try to keep the cost as low as possible. We are encouraging our staff to make the point that they can ring people back. It is an area that we are keeping under close attention, but people want to be able to ring in to access the services. There has been no reduction in the numbers coming forward and, although it may not be the answer for everybody, phones are available in Jobcentre Plus offices free of charge.

Several hon. Members mentioned data handling, including a couple who said that I had not replied to their questions. They will receive answers to those questions. The Department is conducting a rigorous review of all data handling procedures to ensure that data security is paramount. We have consistently given this issue high priority and we have been praised by the former data protection commissioner for that work. However, nobody in government should be complacent. Whatever procedures are in place, they are only as good as the people who implement them and understand them, and we all need to take responsibility for making them a success.

The issue of the Post Office card account was raised. It has been confirmed that there will be a POCA2. The tendering process is under way and the successful contractor will be announced in the summer of 2008.

Members have rightly pointed out that some disabled people undergo different assessments for different benefits. Not all disabled people claim more than one benefit and clearly we need to be careful in those circumstances not to ask unnecessary and potentially intrusive questions, but we are considering the feasibility of building into the employment and support allowance claims process a way of automatically identifying some cases with potential entitlement to DLA, for example. We are trying to deal with the issues in a more efficient and productive way.

The better-off in work guarantee, which was announced by the Prime Minister and which we are following through in our Department, offers an exciting opportunity to make the chance to move from benefits to work a reality for people. Some potential issues have been raised this afternoon, and we are considering how the scheme might be trialled next year. We will need to see how successful the new guarantee is, but it is an important step forward that will enable us to do much more than at present to convince people that they will have a higher income in work than on benefits.

My hon. Friend the Member for Blackpool, North and Fleetwood talked about the four different sets of backdating rules for different benefits. She was right to draw attention to that issue. From October next year, pension credit backdating rules will be aligned with working-age benefits to make the maximum period three months. At the same time, to maintain alignment, backdating of housing and council tax benefit for pensioners and working-age customers will be reduced to three months. That aligns with the other income-related benefits—income support, jobseeker's allowance and tax credits. We have a lot of work in progress that will meet the concerns expressed by hon. Members.

My hon. Friend also talked about letters, and we have a review in progress of that area. Any ideas will be gratefully received.

On the question of a single system, I accept that the present system is not perfect. I am not even sure that there is a perfect system, because a single system could be a very blunt instrument under which some people could lose out in a way that none of us would want to see. As with anything, good intentions do not always produce the outcomes that would make a difference. The Committee, the IPPR and others have made several helpful suggestions as to what a better system might look like, and we are on record as saying that there may be advantages in moving to a single system of working-age benefits. I can confirm that we are very

interested in the issue. Simplification could make the system more effective, but I warn hon. Members that it is not an end in itself.

The benefits system should be a powerful force for social justice. It should help people when they are in need, ensure that they are not condemned to poverty and recognise the contributions that they make to society, such as caring for others. It should also encourage them to build a better future for themselves and their families. For the vast majority of people, work is the way to achieve all that.

We must promote work as the best route out of poverty, provide value for money for the taxpayer and set clear obligations so that customers understand their responsibilities. We must also ensure that the rules are straightforward and provide fair and consistent treatment. That is the way ahead.

It being Seven o'clock, MR. SPEAKER *proceeded to put forthwith the deferred Questions relating to Estimates, pursuant to Standing Order No. 54(4) and (5) (Consideration of estimates).*

SUPPLEMENTARY ESTIMATES, 2007-08

Cabinet Office

Resolved,

That, for the year ending with 31st March 2008, for expenditure by the Cabinet Office—

(1) the resources authorised for use be reduced by £10,596,000, as set out in HC 29,

(2) the sum authorised for issue out of the Consolidated Fund be reduced by £2,938,000 as so set out, and

(3) limits as so set out be set on appropriations in aid.

Department for Work and Pensions

Resolved,

That, for the year ending with 31st March 2008, for expenditure by the Department for Work and Pensions—

(1) further resources, not exceeding £627,101,000, be authorised for use as set out in HC 29,

(2) a further sum, not exceeding £1,147,101,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs as so set out, and

(3) limits as so set out be set on appropriations in aid.

MR. SPEAKER *then proceeded to put forthwith the Questions required to be put, pursuant to Standing Order No. 55 (Questions on voting of estimates, &c.)*

SUPPLEMENTARY ESTIMATES AND NEW ESTIMATES, 2007-08

Resolved,

That, for the year ending with 31st March 2008—

(1) further resources, not exceeding £5,529,376,000, be authorised for use for defence and civil services as set out in HC 29,

(2) a further sum, not exceeding £6,391,199,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs of defence and civil services as so set out, and

(3) limits as so set out be set on appropriations in aid.

ESTIMATES, 2008-09 (VOTE ON ACCOUNT)

Resolved,

That, for the year ending with 31st March 2009—

(1) resources, not exceeding £194,866,358,000, be authorised, on account, for use for defence and civil services as set out in HC 3, HC 12, HC 13 and HC 14, and

(2) a sum, not exceeding £179,676,962,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs of defence and civil services as so set out.

Ordered,

That a Bill be brought in on the foregoing resolutions: And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Andy Burnham, Jane Kennedy, Angela Eagle and Kitty Ussher do prepare and bring it in.

CONSOLIDATED FUND BILL

Jane Kennedy accordingly presented a Bill to authorise the use of resources for the service of the years ending with 31st March 2008 and 31st March 2009 and to apply certain sums out of the Consolidated Fund to the service of the years ending with 31st March 2008 and 31st March 2009: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 14].

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

STAMP DUTY LAND TAX

That the draft Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007, which were laid before this House on 18th October, in the last Session of Parliament, be approved.—*[Mr. Michael Foster.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

AGRICULTURE

That the draft Agriculture and Horticulture Development Board Order 2007, which was laid before this House on 13th November, be approved.—*[Mr. Michael Foster.]*

Question agreed to.

PETITIONS

Carer's Allowance

7.2 pm

Mr. David Clelland (Tyne Bridge) (Lab): This petition has been organised by Gateshead carers association and has been signed by 2,850 residents of Gateshead and the surrounding area. The petitioners recognise the all-important and crucial role of millions of carers across the UK. They also recognise the improvements made to carers allowances and support services, but wish to see adjustments to the allowance system to improve the lot of carers further. The petition reads:

To the House of Commons

The Petition of those concerned about carer's allowance

Declares that carer's allowance needs to be reformed to make it a fair and just benefit for all carers. In particular, that the rules which prevent carer's allowance being paid to those receiving an equivalent amount of retirement pension or incapacity benefit should be ended. Further, that the earnings rule be changed to a sliding scale, so that carers do not suddenly lose all of their carer's allowance when they earn more than a given amount.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Health to reform the carer's allowance to make it a fair and just benefit for all.

And the Petitioners remain, etc.

[P000074]

Post Office Closures (Brighton)

7.3 pm

David Lepper (Brighton, Pavilion) (Lab/Co-op): I wish to present a petition opposing the proposed closure of the post office at 13, Preston road, Brighton. The petition is in the name of Nancy Platts, and is signed by 644 residents and people who work in the area where the post office is situated.

The petition says:

The petitioners declare that they believe that local Post Offices play a vital role in community life and value the service given by Post Office staff. That the closure of the branch at 13 Preston Road will leave residents and businesses in this part of Preston Road and Preston Circus with no easily accessible post office. Lack of public transport links and steep hills make one of the alternative branches named by the Post Office Ltd. inappropriate, and there is no guarantee of the long-term future of London Road Co-op Post Office.

The Petitioners therefore request that the House of Commons urges the Department for Business, Enterprise and Regulatory Reform to make representations to the Post Office Ltd. to withdraw its closure proposals for the Post Office at 13 Preston Road, Brighton.

And the Petitioners remain, etc.

[P000077]

Post Office Closures (North-West Glasgow)

7.4 pm

John Robertson (Glasgow, North-West) (Lab): I present a petition, signed by more than 4,000 residents of my constituency and the surrounding area, about prospective post office closures and the hardships that will be felt by people both in my constituency and in the area around it.

The petition states:

The Petition of constituents from Glasgow North West and the surrounding areas,

Declares its concern about the number of Post Offices threatened with closure.

The Petitioners therefore request that the House of Commons urges the Government, as the sole shareholder of Post Office Limited, to call upon Post Office Limited to reverse plans to close Post Offices.

And the Petitioners remain, etc.

[P000076]

Scallop Dredging (Lyme Bay)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

7.5 pm

Mr. Oliver Letwin (West Dorset) (Con): I am grateful for the opportunity to raise the question of scallop dredging in Lyme bay. I am sure that the Minister needs no reminding that the part of Lyme bay I am describing, which stretches from Beer to West Bay, is mainly though not wholly in the West Dorset constituency that I represent. I thus have a strong constituency interest.

Before I dwell on the detail, I want to talk about our attitude as a nation to what is usually called biodiversity—an important test of the Government's will to concern themselves seriously with the issue. I hope that in time that technocratic word—biodiversity—will be less and less used, and that people will more frequently talk about what is actually at stake: the rich beauty of the natural environment, not only marine-based, but also land and air-based.

Our marine environment, and the rich beauty it contains, is an important constituent of the pleasure we can take in the natural world around us. It is of course systematically impossible to explain to someone who does not understand or care about the importance of pink sea fans or yellow coral why such things should matter. Many people might say, "I might never see one of these things. I live in a house and I'm not very concerned about what goes on under the sea." Such a person might argue that it does not really matter whether there are more or fewer species of this or that type of bird or animal. To my mind, such arguments miss a tremendous point: the search for beauty is in part the search for the rich texture that goes by the technocratic name of biodiversity—a view that I think is shared widely throughout the country, and by the Government and Members of the House.

If we take that as a starting point, it becomes clear that methods of farming the sea that constitute a significant threat to the character of the marine environment need to be addressed. That too, as far as I can make out, is common ground on both sides of the House, and between the Government and the rest of us. It is certainly the common view of respondents—the ones I am aware of—to the Government's consultation paper.

With a concern for the protection of the marine environment goes another principle, which, again, is common ground: the farming of the sea should be carried out on a sustainable basis. We are all extremely conscious that the ability of the world as a whole to fish sustainably is much less than we would like it to be. Fisheries the world over are in grave trouble. We are also conscious that in European waters, the common fisheries policy has signally failed to produce the degree of sustainability that we wish to see.

There are great questions that require great answers, and thank goodness it is not my task this evening to dilate on them. I am conscious that the Minister and others involved in those issues face an enormous task. In this case, however, we have an opportunity to have a direct impact that is not complicated by the great international fisheries issues or the great issues of the

common fisheries policy. We are talking about something that is directly under the control of the UK Government and of Parliament, which has the ability to set and enforce the rules. We have an opportunity to get the right answer from the point of view of the protection of both the rich beauty of the marine environment and the sustainability of a small element of our fisheries.

The next stage in my argument is, I hope, also common ground. The extremely large heavy metal cones—if I can describe them in that way—that are dragged with considerable force across the sea bed by scallop dredgers wreak havoc with the reefs in the part of Lyme bay I am describing. There is no question but that they constitute an unsustainable form of fishing. In fact, it is wrong to describe what is done with them as a form of fishing; it is a form of collecting objects from the sea bed. They cause significant collateral damage to the sea bed and to what are called in the literature the "biological communities"—the things that live on the sea bed.

Those large metal cones have a knock-on effect, because they also cause damage to a wide range of other creatures living in the sea. Constituents of mine whose livelihood is gained from fishing for crabs and other such creatures, and who use things such as pots, report that they frequently find creatures that have been damaged by the large metal cones. I hope that the Minister will reassure us that it is common ground that we have a desire to protect the marine environment and the sustainability of fisheries. We are talking about a form of fishing—if one can call it that—that does neither of those things, and which, if allowed to act unrestrainedly in this part of Lyme bay, will damage the marine environment quite considerably, and will create the opposite of a sustainable fishery, ultimately defeating its own activities and causing collateral damage to other forms of fishing in the area.

I say that I am glad that all that is common ground, and that the problem is how to deal with the situation—but in recent months I have become increasingly concerned that there is no common ground on this issue. Most of the serious environmental work that has been done suggests one view, while the view put forward by the Government—by preference, I think, but I look to the Minister to inform us further on that point—and by the sea fisheries committees is different. I shall crystallise that difference as the difference between option A and option C; I am sure that the Minister will forgive me for skipping lightly over option B.

Essentially, we face an argument between two parties. There are those who maintain that the collateral economic damage that would be done if the entire area were ruled out of court for scallop dredging would outweigh the benefits; that is the position of the sea fisheries committees. That is a fear, and the Minister may be tempted to share that position, but I hope that I am proved wrong about that. On the other hand, environmentalists have argued strongly for option C, which rules out scallop dredging throughout the area.

Of the work that has been done to establish the economic damage that would occur if the whole area were ruled out of bounds for scallop dredging, a study produced by Homarus looks, to an amateur eye such as mine, rather more carefully produced than the broad figures given by the sea fisheries committees. I am inclined to believe that the economic damage is likely to have been estimated in a sensible way by Homarus. Again, I am keen to hear what the Minister has to say about that. If Homarus has correctly estimated the economic damage caused by the wider exclusion zone envisaged in option C, the arguments for option C become enormously strong.

The main reason why I wanted to hold this debate tonight was to put something firmly on the table for the Minister and his Department. It is critical that whichever option is chosen, it should not simply be a set of rules, or a dead letter. It should end up being an enforceable proposition. The strongest argument that the sea fisheries committees have used in favour of option A is that through voluntary agreement it has been possible to achieve something. By common consent, in the recent past there has been acceptance by scallop dredgers in Devon and further afield that they should not dredge in areas where there is a voluntary agreement preventing such dredging. There has therefore been a self-enforcing mechanism for narrowly defined areas.

The danger is that if we introduce a ban for a wider area without proper enforcement, we will end up with an ineffective ban, and an ineffective ban is no ban at all. I hope that the Minister will recognise that if the arguments for wider exclusion along the lines envisaged in option C are strong, as I believe they are, the concomitant needs to be a serious reappraisal of what is necessary if we are to enforce option C. I hope that he will recognise that that is intimately connected with the issue of the speed with which the Government deliver the forthcoming marine Bill. There is cross-party consensus on the intention behind that Bill, but the Bill has not yet seen the light of day.

Tonight, I hope that the Minister will tell us that he accepts the broad principles of the need to preserve the part of the marine environment that we are discussing, and to preserve sustainable fishing of that environment. I hope that he will accept that the economic analysis of option C, carried out on behalf of the wildlife trusts, is probably near the truth, and that the arguments for option C—the wider exclusion zone—are therefore very strong. However, if we move in that direction, I hope that he will ensure that we have an effective enforcement mechanism, so that we do not have a meaningless ban that is a dead letter.

7.19 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I congratulate the right hon. Member for West Dorset (Mr. Letwin) on securing this important debate. It is evident that the future of Lyme bay is close to his heart, and rightly so. It is a beautiful part of his constituency. I, too, feel strongly about the area and the various activities that take place in and around the bay.

In my capacity as fisheries Minister, I have met many people and organisations with a vested interest in the area. I have visited Lyme bay and held a series of meetings and discussions with a wide variety of stakeholders, ranging from the conservationists at Wildlife and Countryside Link and the Devon Wildlife

[Jonathan Shaw]

Trust to fishing trade bodies such as the Shellfish Association of Great Britain and local fishermen in Brixham. Last month I was pleased to launch a public consultation on how best to protect the bay. The consultation is looking for views on which features need to be protected and, as the right hon. Gentleman said, the best way to enforce safeguards in an area that is home to a rich variety of sea life and is being considered for designation as a special area of conservation.

In addition to the meetings that I have held with stakeholders, a team from my department at DEFRA has been working closely with a number of organisations in the area to find a local solution to the Lyme bay issue. I know that, as the right hon. Gentleman pointed out, local fishermen have already volunteered to stop scalloping in part of the bay, and they are working closely with Plymouth university to undertake a thorough study of the Lyme bay scallop fishery and the other seabed life in the area. My department has also asked the Seafish Industry Authority and the Centre for Environment, Fisheries and Aquaculture Science to look closely at the Lyme bay situation. A host of organisations are helping to inform us so that we can make the right decision.

I am keen that a local solution be found that takes into account both the environment and the socio-economic impact that a ban on scalloping may have, particularly in view of the fishing industry's claim that a total ban could cost the region up to £3 million. That is the figure that the industry has given us, and we will consider all the information. The right hon. Gentleman referred to the wildlife trusts. We will consider their views as well, with the support of our scientists at CEFAS and our officials.

Lyme bay is economically important for a range of activities, many of which the right hon. Gentleman mentioned. We need to consider how the biological resources of Lyme bay can be exploited in the most sustainable way that is compatible with its importance to the marine environment. The Lyme bay reefs are important not just to his constituency or to me, but to all of us. He spoke about their beauty, and he is right. The pink sea fan and sunset cup coral are rare and threatened. There are some wonderful pictures in the Devon Wildlife Trust's document entitled "A 16-year search for sustainability". One has only to leaf through it to see the wonder of the biodiversity—a word that I know the right hon. Gentleman does not like, and I agree with him. It is technocratic, but we know what we mean.

The Lyme bay reefs may be internationally important. Natural England is currently analysing data to see if they should qualify as a special area of conservation under the European Union's habitats directive. We expect to receive Natural England's initial advice on that next year. It is clear that those reefs are fragile and highly vulnerable—an issue brought into sharp focus by the recent disappearance of the Exeter reefs in the western part of the bay. That is why we worked with the fishing industry last year to put in place a voluntary agreement, to which the right hon. Gentleman referred. That agreement was introduced 15 months ago, and it has held.

The protected areas were introduced according to the best available evidence at the time and they protected 92 per cent. of the known locations of pink sea fans. However, pink sea fans would be more widely distributed outside the survey areas and they represent only one aspect of the ecological importance of the Lyme bay reefs. That is why we have asked for more information on the ecological and economic importance of the reefs and are consulting on a full range of options for their protection. The right hon. Gentleman referred to the options, which I shall outline briefly: confirmation of the current voluntary agreement; statutory protection of the four closed areas; closure of three larger areas covering 25 square miles of the reefs; and closure of one larger area covering 60 square miles of the reefs.

We will also consider other options based on the information provided in response to the consultation, and we will consider what the right hon. Gentleman has said this evening. The consultation, which we have extended for a couple of weeks to ensure that everyone has an opportunity to make their case, closes on 21 December. I will consider the responses carefully and develop a solution for fisheries management in Lyme bay that helps deliver our vision for sustainable fisheries in tandem with nature conservation. I hope to announce my decision in the new year.

It is important that the right decision is made. Lyme bay could be the flagship for future decisions on marine protected areas policy. The sea is a massive resource that belongs to us all. Only by working together can we achieve a marine environment that is good for nature, recreation and our industries. As we said when we published the White Paper and as the Prime Minister has said, the marine Bill, to which the right hon. Gentleman referred, will be the first of its type anywhere in the world. The draft Bill will be published in the spring. There will be consultation on it and it will be subject to parliamentary scrutiny. It will be the first such Bill in the world and it is vital that we get it right. This House wants to have input, as does the other place.

Mr. Adrian Sanders (Torbay) (LD): I have a simple question. Do we need the Bill in order to act?

Jonathan Shaw: No, we do not; that is why I shall make my decision earlier in the year. However, the Bill will inform future policy.

The Bill will provide a framework in which to consider the interactions to which I have referred and their cumulative impacts on the environment. It will help us to be more efficient in our use of marine space by considering activities that are compatible and even mutually beneficial when put together. It is vital that we take the decision in the context of our wider vision for marine conservation and sustainable fisheries.

Surrounding our island are waters that are among the richest marine environments in the world. It is vital that we bring the conservation standards in our seas up to those that currently apply on land. Given our wonderful marine life, it is amazing that we have not considered that point before. Environmental agencies have campaigned on the issues for 50 years; next year, we will all have the Bill and we look forward to the scrutiny.

I am sure that the right hon. Gentleman is aware that we have a series of well-developed nature reserves on land, and we need to increase the number and extent of

marine nature reserves in our seas. As the Minister responsible for that area of policy, I am keen to ensure that we protect the many rare, threatened and valuable habitats in our territorial waters.

However, the protection of marine habitats is not the only important factor; the sea is important for a wide range of other reasons. Our climate and the seas surrounding us lend themselves perfectly to a number of renewable energy sources such as wind farms and tidal power schemes, which are seen by many as vital to help us tackle the increasing threat of dangerous climate change. The sea provides us with more significant economic benefits and supports coastal communities through traditional industries such as transport and fishing. It is vital for us to work with stakeholders across the board, and across the country, to ensure that there is space for all those activities while at the same time ensuring that we protect and conserve our marine ecosystems.

As I said, we are keen to protect our traditional industries, such as fishing. Our vision for marine fisheries, "Fisheries 2027", sets out what we want to achieve from fisheries and the essential role played by the fishing industry and others in moving us to a more sustainable footing. We want a fisheries sector that can provide a long-term economic and social benefit not only for the industry but for wider society. It is imperative that, as with any human activity, we ensure that associated environmental impacts are minimised.

I firmly believe that we can balance conservation with economic growth, not only in Lyme bay but throughout the waters of our marine environment. We must agree that those are our goals, and I have no doubt that the Government have the energy and commitment to pursue them vigorously. I am proud to be the fisheries Minister who will bring forward the draft marine Bill and see it into legislation. I thank the right hon. Gentleman for bringing this important and timely debate to the House. I will make my decision based on all the information available, including what has been said in the debate.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Eight o'clock.

House of Commons

Thursday 6 December 2007

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Climate Change (Flooding)

1. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What steps his Department is taking to ensure that measures are put in place to deal with the likely effects of climate change, with particular reference to flooding. [171730]

The Minister for the Environment (Mr. Phil Woolas): The Department has always encouraged operating authorities to take account of climate change in their planning of flood management measures. Our guidance was last updated in October 2006. It recommends a precautionary approach, but it is of course kept under review and will be further updated as the science develops.

Ms Smith: I thank my hon. Friend for that answer, but I want to remind the House of the terrible damage suffered by my constituents in the June floods. I contend that the scale of the flooding would have been significantly reduced if the upland catchment area adjacent to my constituency had been in a sufficient condition to hold the water as nature intended. Will he commit the Department to extending programmes designed to restore upland blanket bogs so that they can fulfil their proper role as an important part of our natural flood defence system?

Mr. Woolas: I thank my hon. Friend for her question. I know very well the part of the world to which she refers. I can go further than she asks. Together with the Environment Agency, as part of our "Making space for water" policy, we are researching the impact of moorland gripping—the name given to the draining of moorland peat bogs by digging ditches alongside them, as part of the wider land management agenda and consideration of its effect on flood risk. Early indications show that it can help, but not always. It is not quite as straightforward as that.

Mr. Michael Jack (Fylde) (Con): The Minister will understand that resources are to be a key element in the delivery of the Government's flood prevention policies. Taking into account Sir John Bourn's critical appraisal of the Department's financial management structure and the £270 million of internal savings that it will have to make, as well as the fact that its administrative budget is £50 million overspent and that there is a £300 million disallowance fine hanging over it, what guarantees can the Minister give the House that the money that is designed to increase expenditure on flood protection will be delivered over the next three years?

Mr. Woolas: I thank the right hon. Gentleman, and recognise the work that he does for the Select Committee on Environment, Food and Rural Affairs. I can give him those reassurances. Of course, we have to balance our books, as he would want us to. That is the proper thing to do. I can assure him that despite the need to balance our books we can deliver the increases in flood defence expenditure, both capital and revenue. Importantly—this is something else for which he has called—we will do so with a long-term framework, as that is critical to the protection of the public.

Alan Simpson (Nottingham, South) (Lab): In Germany, in four of the main Länder that are prone to flooding, local authorities have the powers to insist that planning applications will not even be looked at unless they contain flood protection provision. The Netherlands, a country with the highest level of flood protection anywhere, is now talking about surrendering 1 million acres of land back to the sea and having buildings that must be flood compatible. In each case, developers are made liable for the flood damage to which their buildings are prone. Is the Minister seeking to deliver any similar powers to local authorities in the forthcoming Planning Bill?

Mr. Woolas: I thank my hon. Friend for the question, and recognise and commend the work that he is doing. We have talked about that work and I look forward very much to its production. The answer to the question is that we have planning policy statement 25, which gives powers to the Environment Agency to look at plans. We are monitoring the local authorities' performance in that area to see whether it is sufficient. Clearly, there is a lot more to do and we will bear in mind his point about the lessons from Germany and the Netherlands.

Mr. Nigel Evans (Ribble Valley) (Con): The Minister also knows my constituency, having made a few sneaked visits to it. He knows that it contains many small villages with brooks and rivers. Some of them have drainage systems that are antiquated to say the least and some have suffered flooding in the past. Will he ensure that all the agencies, especially local authorities, which are responsible for cleaning up brooks and smaller rivers in rural areas, always allocate sufficient funds to proper cleaning so that unnecessary flooding does not happen when there is heavy rain?

Mr. Woolas: I am grateful to the hon. Gentleman for his question. I do, indeed, know his beautiful constituency—I know Byrne and Sons well.

There are different operating authorities, depending on the circumstances. For example, they could be water companies, drainage boards, local authorities or the Environment Agency. As part of the Pitt review, we have asked Sir Michael to make recommendations on

how we can better co-ordinate matters to ensure that the policies are carried out and that drains are maintained for flood protection and the benefit of biodiversity, which is, in the hon. Gentleman's constituency, among the most beautiful in the United Kingdom.

Mr. David Drew (Stroud) (Lab/Co-op): Yesterday, the Select Committee on Environment, Food and Rural Affairs visited Lyon to examine the approach taken there to sustainable urban drainage. It was a useful visit—it is good to see the Chairman in his place this morning. We were impressed most by the comprehensiveness of the approach to tackling flooding, and the research money invested in finding preventive measures. Can we learn something from Lyon? What are the Government doing to ensure that we take the best from international examples?

Mr. Woolas: I look forward to reading the lessons from the Select Committee. My hon. Friend's account shows the value of Select Committees' work. Indeed, his point was made yesterday at the meeting of the all-party group on water, especially by representatives of UK Water Industry Research. Of course, we can learn lessons; that is part of the review. I remind the House that the Government were consulted on such matters before the floods, in case anyone suggests that there has been a knee-jerk reaction—that would be completely unfair and uncharacteristic.

Mr. Mark Harper (Forest of Dean) (Con): My constituency experience shows that, when flood protection systems are rightly put in place to protect our towns and cities, farmers consequently find that their land floods more frequently. Do the Government have any plans to introduce procedures whereby farmers are compensated for that to cover the obvious economic impact?

Mr. Woolas: We are, of course, familiar with that issue. The use of meadows and fields, low lying and upland, in a co-ordinated flood management programme is part of our strategy, and it raises difficult questions about economic impact. Our policy is to use such land as part of a co-ordinated plan. Such usage is normally, although not always—I know of some instances to the contrary in the hon. Gentleman's constituency—part of an agreed plan, where the land floods in any event.

Paddy Tipping (Sherwood) (Lab): Is not one of the most significant issues to arise from this summer's flooding the inability of urban sewers to deal with flash flooding? What steps are being considered to deal with that problem, bearing in mind that the financial costs will be significant over a long period?

Mr. Woolas: My hon. Friend, as ever, raises the most important point. There are two answers to the question. First, I am sure that the House agrees that we must not lose sight of the cause of the problem, which, in the long run, is climate change. That is why the Bali road map is so important for our country. Secondly, if the question was simply maintenance of drains, it would be straightforward; the task would be expensive and difficult, but straightforward. However, the capacity of drainage is also a problem. That is why the Government's approach is to ensure, first, increased funding and, secondly, a long-term framework to effect a generational improvement in infrastructure.

Chris Huhne (Eastleigh) (LD): Given that millions of people are at risk from surface water drainage, as the hon. Member for Nottingham, South (Alan Simpson) pointed out, what progress has the Department made on its previously announced policy, in response to "Making space for water", to put the Environment Agency in an overarching strategic role over all flood risks?

Considering the £3 billion of losses that we now know occurred during the summer as a result of the flooding, are Ministers confident that the increase in the budget that has been announced fulfils requirements? For example, are the costs of the repairs to flood defences being met from the new budget or will there be a separate allowance? Is it the case that flood defence projects—

Mr. Speaker: Order. I count about four supplementaries, and there should be only one.

Mr. Woolas: The hon. Gentleman raises some important points. We took the decision to delay the publication of our water strategy document until after Sir Michael had reported. That was a dilemma, I confess, but we thought it the right thing to do, so that we could take the lessons on board.

The hon. Gentleman is right: the estimated cost of the floods is £3 billion—I think that that is the domestic impact, not including the business impact. Again, that shows the need for climate change mitigation. As Sir Nicholas Stern reported, it is more expensive not to act than to act. Whether the level we chose is the right level, I do not know—my crystal ball is cloudy on that point. We do not know what the level of floods will be. However, I am aware that the £800 million that we allocated is even more than the figure of £750 million that Association of British Insurers suggested before the summer floods. However, all Governments would always want to spend more, because such decisions are difficult.

Miss Anne McIntosh (Vale of York) (Con): The whole House will sympathise with the hon. Member for Sheffield, Hillsborough (Ms Smith) on the damage suffered in her constituency and with people up and down the country. The Minister has said that funding will be increased, but is he saying that it will be increased everywhere except Yorkshire and the Humber? In his reply to me of 20 November, he admitted that there had been a cut in construction industry contracts of more than £8 billion over a four-year period. When he decides to visit the internal drainage board area, will he take the opportunity to go to the Bentley Ings, which takes the water from Sheffield and was instrumental in this summer's massive floods at Toll Bar? Those river defences are cracking. They have had emergency repairs, but they need full repairs. Does he accept that the issue is to do with physical infrastructure as well as water retention, and will he ensure that there is a commitment to Yorkshire and the Humber, as well as other parts of the country?

Mr. Woolas: I read the *Yorkshire Post* regularly—Saddleworth being in Yorkshire—and I saw the hon. Lady's report. The serious answer to her question, however, is that she missed two crucial points in the parliamentary answer that she cited, which I signed off

in the full knowledge that it would result in a press release to the *Yorkshire Post*. First, the amounts given refer to contracted expenditure, not direct expenditure by the Environment Agency. Secondly, she missed out the fact that the figure was a lot higher the year before and that over the years it has increased significantly. Expenditure did indeed contract in the years that she mentioned, but that is in the nature of engineering schemes of that sort. They cannot be turned on and off, and the budget has been increased.

Fish Discards

2. **Richard Ottaway** (Croydon, South) (Con): If he will make a statement on Government policy on fish discards [171731]

3. **Miss Julie Kirkbride** (Bromsgrove) (Con): If he will make a statement on Government policy on fish discards [171732]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): Discarding is a waste of a valuable natural resource, which has a detrimental impact upon the sustainability of fish stocks, and has significant social and economic consequences for the long-term viability of the fishing industry. We are working with the UK industry and with the Commission and other member states to tackle this effectively, reflecting the circumstances of individual fisheries.

Richard Ottaway: Although this will not endear me to the fishing industry, may I ask whether the Minister recognises that there is widespread concern among consumers in my constituency about the conservation of fish stocks? The latest revelation about fish discards has hardly helped the matter. Can he explain why the 2002 EU community action plan to end discarding by 2006 failed and why we did not start that initiative when we held the presidency in 2005?

Jonathan Shaw: There will always be discarding. The nature of our fisheries is mixed. Indeed, there are about 36 varieties of fish in the south-west, and fishermen discard those for which there is no market. We are working with the industry on this, and looking at trials of new nets that would allow certain species to escape. We have also introduced a number of measures, including, for example, the consideration of real-time closures, and we are working with the industry to ensure that it identifies juvenile stocks so that they can mature before they are caught. We are working with the Commission and looking at action plans. We want to reduce discarding. Consumers in the hon. Gentleman's constituency and throughout the country want to see reductions in discards. Importantly, however, discards in the North sea are an unintended consequence of an increase in stocks. We must also not forget the conservation element involved. Our decisions are taken on the basis of science.

Miss Kirkbride: I was heartened by the Minister's original answer that he takes discards seriously. He will be aware that European fish stocks are worryingly low. It is an obscenity that, of all the fish that are caught, 17 lb are thrown back for every 1 lb that is brought back into port. While I welcome some of the measures that he has just mentioned, will he assure the House that, if they prove effective, our European counterparts in France, Spain and Portugal will have to abide by them as well?

Jonathan Shaw: The hon. Lady has mentioned a number of member states that have overfished. The Commission has come down very hard on them and fined them. We welcome that, particularly in relation to the overfishing of blue fin tuna. The Commission takes discards seriously; the Commissioner has gone on record on this, and we are supporting him in this process. However, there will always be discards, because of the mixed nature of our fisheries. There are some fish for which there simply is not a market, and others will be below the minimum landing size. It is unacceptable, however, to discard high-value stocks such as cod—hon. Members will have seen pictures of such discarding on television—and we need to work harder to ensure that that does not happen. That involves a partnership between ourselves and the industry, and working with other member states.

Tony Lloyd (Manchester, Central) (Lab): It is obvious that the present level of fish discards represents bad economics, but it is also very bad in an environmental sense, in that it is bad for the ecosystem of the sea. My hon. Friend has rightly pointed out that many types of fish are not usable at the moment. That does not mean, however, that they can never be usable. Should not we make a real effort to educate our consumers to use the types of fish that, historically, have been rejected? That would make a major difference to the practice of discarding.

Jonathan Shaw: My hon. Friend is quite right, and we are now seeing a change in what the consumer is buying. We are grateful to the celebrity chefs who have promoted fish such as red gurnard, for example. It is caught in the south-west and was once discarded but is now fetching a high price. Indeed, an official told me this morning that he had had red gurnard on the Eurostar when he went to Brussels, so it is not just being served in specialist areas; it is also reaching the mainstream. People can now eat red gurnard as they pass through the glorious Kent countryside in my constituency.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister has said that there will always be discarding, but why should that be the case? Instead of being compelled to dump fish, should not fishermen be compelled to land everything that they catch? Should it not be an offence to discard undersized or out-of-quota fish? Such a land-all policy would give scientists a much better picture of what fish were being caught, and where. That would enable them to devise more accurate conservation and recovery plans. Is not that the way ahead?

Jonathan Shaw: My hon. Friend is right to say that we need to get a better picture of the total discards, and we have been working on that programme since 2002. It is important that we bring in measures to reduce the level of discards. All the European countries in the common fisheries policy have to discard fish, perhaps

because they do not have quotas or because there is no market for some of the fish. What does one do with such fish? Either they are disposed of at sea, or an inshore infrastructure has to be put in place to dispose of them. This is a difficult issue, and we take it very seriously. As I have said, the Commissioner also takes it seriously. We need to improve, and that involves working with the industry and bringing fishermen and scientists together, as we have done under the fisheries science partnership over the past five years. I hope that we will see a continued reduction. It is important to remember that the discards are an unintended consequence of quotas. We are not taking as many fish out of the sea as we once did. In 1987, 187,000 tonnes of cod were taken out of the sea; this year, the amount was less than 20,000.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I assure the Minister and, indeed, the hon. Member for Croydon, South (Richard Ottaway) that the outrage at the phenomenon of discards is nowhere felt more greatly than in the fishing industry and fishing communities themselves, because discards are a consequence of setting quotas that do not accurately reflect the mix of fish to be found in the sea? May I suggest that if the Minister and his ministerial colleagues want to see a real reduction in discards in the coming 12 months, the best thing he can do is win an increase in the cod quota for our white fish fleet and, more importantly, ensure that sufficient days at sea are available to that fleet to catch the quota that he gets?

Jonathan Shaw: I am grateful for that question. I have been to Peterhead and met fishermen there, so the hon. Gentleman's point is understood. As to the cod increase, on the basis of the scientific evidence from both our scientists and those of the Commission, we have negotiated with Norway in the EU-Norway negotiations an 11 per cent. increase in cod total allowable catch. That is allowable within the cod recovery programme, and we hope for a reduction in the amount of discards of that valuable species. There is often a direct correlation between increasing the TAC and reducing days at sea, so we have agreed a UK position on bringing into play a more sophisticated approach, including real-time closures—a voluntary agreement operating in the Scottish industry—and looking at the development of new nets, which will be trialled in the North sea later next year.

Ann Winterton (Congleton) (Con): Is the Minister aware that the Fishermen's Association Ltd has indicated that its members are throwing back into the sea six to seven-year-old cod, which were in existence before the cod recovery plan? Not only does that pollute the marine environment, but it is the most appalling waste. Does not that reinforce the special report of the European Court of Auditors, which said that the common fisheries policy was a complete failure?

Jonathan Shaw: I have just said that we are going to have an increase—a modest increase of 11 per cent., based on the science—in the amount of cod that we can catch, because the cod stocks have recovered. We are all familiar with stories from Newfoundland about fishermen going out to sea but finding that there were no fish left. We must have in place a regime, based on the scientific evidence, ensuring that we have fish today and fish tomorrow, both for us to consume and for the industry. We are working hard with the Commission and in partnership with the industry to ensure that stocks are conserved and available for tomorrow. We are in the common fisheries policy and we are members of the European Union, and in order to improve the common fisheries policy, we have to be part of the discussions and part of the argument, as this country always is, whether on the common fisheries policy or the common agricultural policy.

Bill Wiggin (Leominster) (Con): The Minister has led the House to believe that he is against discarding. He has used words such as "waste", "detrimental" and others. In DEFRA's 20-year plan, taking us to 2027, for marine fisheries—and, indeed, in the consultation response document—it is made perfectly clear that DEFRA has no intention to stop discarding. Despite his warm words, it looks like it is going to be a policy under this Government—the watchword for incompetence—for the next 20 years. When is the Minister going to stop discarding and stop leading people to believe that it can be stopped? When he uses words such as "immoral" and "heartbreaking" in *The Daily Telegraph*, is he talking about his Department or himself?

Jonathan Shaw: As I told the hon. Member for Bromsgrove (Miss Kirkbride), we will always have discards because we have a mixed fishery. Does the hon. Gentleman understand that? Also, there is no market for some fish, so what do the fishermen do with it? They discard it. What I said was that having to throw away valuable stocks such as cod was immoral, and that we needed to find better answers.

It is not the case that we are against all discarding. As I am sure the hon. Gentleman understands, if a fish is below the minimum landing size it must be discarded. In mixed fisheries they all swim together, so there will always be discards. In the case of valuable stocks such as cod we must find new ways of reducing the number of discards, such as real-time closures and better gear. That is what I said in *The Daily Telegraph*, and the hon. Gentleman knows it.

Food Producers

5. **Andrew George** (St. Ives) (LD): What discussions he has had with Cabinet colleagues and the competition authorities on the role of food producers in the grocery supply chain. [171734]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): The hon. Gentleman will know that the Competition Commission is currently conducting an inquiry into the groceries market. My colleague Lord Rooker wrote to the Commission when it opened the inquiry, listing some questions that he thought should be considered, and his letter has been published on the Competition Commission website. However, in line with the general policy of Government, neither I nor other DEFRA Ministers have had discussions about the inquiry with Cabinet members, or indeed with the competition authorities.

Andrew George: According to the provisional findings of the Competition Commission, published at the end of October, grocery retailers are transferring "excessive risk and costs to suppliers".

Moreover, there is already a concentration in the grocery sector whereby four major retailers control 80 per cent. of the market. That concentration is likely to increase, and the trend among supermarkets to move from effective use to unacceptable abuse of their power is therefore likely to increase as well. Does the Minister not accept that this is a matter for her Department, which should get a grip on it, that she should start discussing it with her colleagues in the Cabinet, and that the Department should prepare plans to ensure that suppliers are properly protected in the grocery supply chain?

Joan Ruddock: I understand the points that the hon. Gentleman has made, and I know that he has taken a keen interest in these matters, not least in his constituency. However, I am sorry to say that it would be inappropriate for me to comment at this stage, when the Competition Commission has published only its preliminary findings and when there is an opportunity for those who participated in the inquiry to comment on their initial findings. I understand that the commission will report early in the new year, and when it has done so Ministers will give an appropriate response if recommendations are made to the Government.

Mr. Lindsay Hoyle (Chorley) (Lab): I am sure my hon. Friend is aware that part of the major problem we face is the power of the big four squeezing down farm gate prices and putting farmers out of business. That kind of competition needs to be examined closely, as should the power of supermarkets that hold land and prevent other companies from using sites because they will not sell them.

Joan Ruddock: My hon. Friend is absolutely right, and I can tell him that the Competition Commission has concluded that some retailer landholdings and practices such as restrictive covenants may indeed hinder competition.

The commission says that a variety of means could be applied, and we will consider them at the appropriate time. It suggests that grocery retailers might divest themselves of their landholdings; that they could be prohibited from using restrictive covenants that reduce the likelihood of land being used by a competitor; that changes could be made to the planning system that would provide more opportunities for developments on the edge of town centres while maintaining constraints on out-of-town developments; and that it might be possible to introduce a competition test allowing the local position of grocery retailers to be considered in the making of planning decisions. Those are all important initial findings, and as I said, we will take them into account if and when recommendations are made to the Government.

Sea Defences

6. **Mr. Douglas Carswell** (Harwich) (Con): What steps he plans to take to strengthen the sea defences at Holland-on-Sea and Clacton-on-Sea. [171735]

The Minister for the Environment (Mr. Phil Woolas): Tendring district council has developed proposals for investment in coastal defences. Those are being considered by the Environment Agency.

Mr. Carswell: It is likely that unless action is taken the sea wall at Holland-on-Sea will soon be lost. If that happens, it will put the roadway and housing at risk. In view of that, will the Minister make a commitment now to begin phase one of the work that we had been promised back in 2003?

Mr. Woolas: I have had a look at this specific case in response to the hon. Gentleman's correspondence on behalf of his constituents. A grant of £400,000 was given in 2004 for the collapsed sea wall at Holland-on-Sea. The council itself spends some £550,000 per year recurrently on defences. It is not the case that an application was granted and then withdrawn; it is the case that the application that was subsequently submitted did not pass the new rules that had by then been put in place. However, as I have said, the Environment Agency is now looking at the future requirements in the hon. Gentleman's constituency.

Sustainable Farming

8. **Mr. Jim Cunningham** (Coventry, South) (Lab): What steps the Government have taken to encourage the farming industry to adopt sustainable farming practices. [171737]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Government want farming to thrive while reducing its environmental footprint. We are supporting that in a number of ways, including through cross-compliance linked to common agricultural policy payments and the rural development programme for England 2007-13, which will invest £3.9 billion in farming and rural areas. I am pleased to announce that this programme has now been approved by the European Union and we will proceed to full implementation as soon as possible.

Mr. Cunningham: I thank the Secretary of State for that answer, but can he be more specific? What is he doing to make organic food both more available and cheaper for the consumer?

Hilary Benn: The organic industry is growing extremely fast. As my hon. Friend will be aware, we have our own action plan that aims to encourage the industry to ensure that by 2010 the share of the organic market coming from home-grown produce is equivalent to the share of the overall market, which is about 70 per cent. We are trying to encourage locally produced food and better information for consumers. Sales through vegetable boxes, farmers' markets and mail order increased by 9 per cent. last year, and it is estimated that there are 550 farmers' markets with a turnover of £220 million. It is clear, therefore, that consumers have an increasing appetite for organic produce.

Mark Pritchard (The Wrekin) (Con): But does the Secretary of State agree that one way to help British farmers—and Shropshire farmers in particular—is to

have more transparently clear labelling not of where farm products were packaged, but of where they were sourced?

Hilary Benn: I agree. I am keen to pursue the fundamental principle that when we as consumers choose to purchase products, we have decent information about their origin. I am very happy to look at any proposals on that score.

Mr. David Heath (Somerton and Frome) (LD): May I ask the Secretary of State to look at the sustainability of livestock markets? Frome market—one of the biggest in the south of England—is within yards of the Wiltshire border. Wiltshire is in the bluetongue surveillance zone; Somerset is not. That means that animals can graze almost up to the border of the market and a new market could be opened in the next field, and yet animals from the east of the market cannot be sold in Frome market. Midges do not understand county boundaries; does the Secretary of State?

Hilary Benn: I have sympathy with the hon. Gentleman's case, but the point about the control of bluetongue is that there has to be a line somewhere, and it is easier to follow county boundaries than to draw a circular line that cuts across them, because it is then harder for people to understand whether they are in or out of the zone. On the fundamental issue of bluetongue—we have previously discussed this in the House—in the end a balance must be struck on where to draw those lines. As the hon. Gentleman will be aware, we have consulted closely with representatives of the industry, and the stakeholder group is of the view that currently we should have the boundaries where they are, rather than extend them to bring the whole of England into the bluetongue zone. Obviously, winter is arriving, and there will be less midge activity. We are working on—*[Interruption.]* Well, I understand that, but the lines have to be drawn somewhere. However, as I have previously said, if the industry were to come to me and say with one voice, "Actually, we think now is the time to change the boundaries" I would look at that request very seriously indeed.

Mr. James Paice (South-East Cambridgeshire) (Con): On food labelling, the Secretary of State could not do better than to examine the four Bills that the Government have blocked on that subject.

How can the farming industry be truly sustainable if it is to be treated differently from its competitors? For example, we rightly have strict geographical and movement controls, which ban the export of meat from parts of this country, whereas although the European Union's Food and Veterinary Office has found serious problems with the traceability and compliance system in Brazil, we continue to import Brazilian beef. Is that fair and sustainable?

Hilary Benn: The EU has strict rules in relation to Brazil. Brazil is a big country, and foot and mouth is a problem in some parts of it, but not in others.

Bill Wiggin (Leominster) (Con): But that is true here too.

Hilary Benn: That is indeed the case here, but things are gradually returning to normal. I accept that the livestock industry has had an awful summer, and we have debated that at some length. The question is not whether Brazil should be looked at as one entity; the question is whether we have appropriate arrangements in place to ensure that imports come from areas where foot and mouth is not a problem.

Climate Change (China)

9. **Mrs. Madeleine Moon** (Bridgend) (Lab): What assessment he has made of the potential contribution of China to tackling climate change. [171738]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): China will soon become the world's largest emitter of greenhouse gases. China's own national assessment report highlights the potential impact of climate change on its security, growth and development. A stronger national programme is being developed with targets to reduce energy intensity and to increase the use of renewables. The UK continues to work with China on initiatives for a global low-carbon economy and an effective international framework to tackle climate change.

Mrs. Moon: I thank my right hon. Friend for that answer. China is opening two coal-fired power stations a week, and it has coal reserves of 1 trillion tonnes. When President Sarkozy signed an agreement to open nuclear power stations with China, he said that because of their partnership it was more important to avoid confrontation over intellectual property rights than to make progress on this issue. Is it not time for Britain to share its knowledge about clean-coal technology with China and develop a partnership arrangement so we can tackle CO_2 emissions?

Mr. Speaker: Order. A supplementary must be shorter than that.

Hilary Benn: That is exactly what we are doing through the near-zero emissions coal project, which is a joint EU-China project to develop and then to deploy carbon capture and storage. The UK will put in £3.5 million-worth of funding in the first phase, and we are working with other EU member states. China's annual coal production is set to double to a staggering 5 billion tonnes a year by 2030. We must develop carbon capture and storage if the world is to have any prospect of obtaining the reductions in carbon emissions that are required. That is why there will be a demonstration project in the UK on post-combustion technology and why we are playing an important role in promoting this scheme with China.

Mr. Nick Hurd (Ruislip-Northwood) (Con): China is seeking to move 400 million people from the country into cities over the next 30 years, and in that process it will build approximately half the new buildings in the world. Chinese homes are about three times less energy efficient than European ones. What are the British Government doing to facilitate the transfer of British expertise and technology to help the Chinese make those buildings as energy efficient as possible?

Hilary Benn: The hon. Gentleman has raised an important point. China is already an economic powerhouse and it will be the source of huge amounts of development over the next few years. The best thing that is happening is the growing awareness in China, on the part of the Government and the people, particularly the younger generation, that this process will create problems and challenges for China itself. China is coming to terms with the impact of pollution as a result of its industrialisation, and it is having to take action, including imposing tight controls on vehicle emissions.

My view is that intellectual property is not the problem when it comes to technology transfer; the problem is whether countries can afford the technology. China has undoubtedly been very successful in attracting investment from all around the world. As China's understanding of climate change and what needs to be done develops—it will shortly publish its national climate change plan—we will continue to work with it to encourage it to take the necessary steps in China while trying to win its support for a new international deal.

Thames Estuary

10. **Andrew Mackinlay** (Thurrock) (Lab): What assessment he has made of the risk of flooding in the Thames estuary following the recent alert; and if he will make a statement. [171739]

The Minister for the Environment (Mr. Phil Woolas): London and the Thames estuary are protected to an extremely high standard. Current indications are that existing defences provide a better standard of protection than previously thought and are unlikely to require any major changes until after 2030.

Andrew Mackinlay: I thank the Minister for his reassurance on that point. Will he talk with his colleagues in the Department for Communities and Local Government and those dealing with the Thames Gateway to see whether an additional east London crossing, which might include rail and road, could also incorporate engineering works that would help to control flooding and tidal flows in the Thames estuary? That would give assurances not only to existing residents, but to people who wish to regenerate both sides of the estuary.

Mr. Woolas: I have already done so, and on my hon. Friend's urging will certainly do so again. The long-term plans for flood protection for the Thames estuary and London are extremely important, which is why we pay particular attention to them, and co-ordinating those with the Thames Gateway policies—as the Prime Minister announced in his speech on 29 November to the Thames Gateway conference—is of course a central part of the strategy. That is why we are working with the Department for Communities and Local Government to look at regeneration and integrating the schemes. It is a point that the hon. Member for Vale of York (Miss McIntosh) often misses.

Topical Questions

T1. [171755] **Michael Fabricant** (Lichfield) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): DEFRA's responsibility is to help to enable all of us to live within our environmental means. I take this opportunity to draw the House's attention to today's written ministerial statement, announcing that there will be a badge for members of the Women's Land Army in recognition of their contribution during the second world war. I also wish to congratulate the new Australian Government on their ratification of the Kyoto protocol.

Michael Fabricant: I thank the Secretary of State for his answer and the announcement about the Women's Land Army is good news indeed. They deserve that badge.

If a canal bursts its banks, there can be tens of millions of pounds worth of collateral damage as a consequence. The Secretary of State will know that past DEFRA cuts have meant that British Waterways has a huge backlog of canal maintenance. Can he tell us now whether British Waterways will continue to suffer the retail prices index minus 5 per cent. cuts, and when will it be in a position to say that its finances are finally secured?

Hilary Benn: I thank the hon. Gentleman for his kind words about the badge for the Women's Land Army, and I look forward to helping to distribute some of those badges next year when the final arrangements are in place and the surviving members of the WLA have come forward.

I accept the point that the hon. Gentleman makes about the maintenance of the canal network. As he will know, we have provided £452 million in grant since 2000 for waterways in England and Wales. Final allocations for the first years of the comprehensive spending review period have not yet been decided, but that will happen early in the new year, when we have considered all the representations that have been made, including the ones that he has made to me.

T2. [171756] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): Will my right hon. Friend outline Britain's priorities in the climate change discussions in Bali and his hopes for the outcome of those discussions?

Hilary Benn: Our priorities are, above all, to gain agreement from all the nations of the world that we should embark on a process of negotiation for a new 2012 agreement to replace the Kyoto protocol, which is simply inadequate given the scale of the task. That has to be based on a recognition of the scale of the problem, and therefore the target that we are trying to achieve; binding commitments to reduce emissions from the rich countries; a contribution from the emerging developing countries, including those such as China and India, which are now significant emitters; a carbon market; flow of funds to developing countries; and action on technology, adaptation, deforestation, aviation and shipping. That is the list. There is a big responsibility on everybody who turns up in Bali, because the world will not understand if we leave without an agreement to start the negotiations that every single one of us knows that we need if we are to have any chance of dealing with this challenge.

T3. [171757] **David Taylor** (North-West Leicestershire) (Lab/Co-op): The Government's desire for a major shift to the farming industry of the responsibility for the cost of animal health seems to be driven by DEFRA's acute financial crisis. Does the Minister agree that a year in which we have had foot and mouth, avian influenza and bluetongue is not exactly the best time to consult on those matters? How will he devise a system that will be fair to farmers and their families across England, Wales and Scotland?

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I understand my hon. Friend's view, but it could be argued that there is never a right time to do it. One of the recommendations of Iain Anderson after the 2001 outbreak was that we should do precisely this and have a discussion with the industry. This is not the start of a process; it will be the resumption of the process, after a very difficult summer for the livestock industry—I grant my hon. Friend that point. I have said to the House before that my experience of dealing with these outbreaks has confirmed to me that this is the direction in which we should go. It builds on the relationship that we have developed with representatives of the farming industry in taking decisions about how to deal with bluetongue, foot and mouth, and avian influenza. I am seriously committed to sharing that responsibility with the farming industry. At the same time, it is not unreasonable to discuss how the costs should be equally shared.

Mr. Peter Ainsworth (East Surrey) (Con): May I endorse what the Secretary of State said about the importance of the Bali conference? I join him in hoping that it is successful. Does he think that the UK's credibility in those international talks is enhanced by the fact that, back home, his Department is busily cutting the budgets of organisations engaged in tackling climate change, dealing with recycling, looking after nature conservation and protecting the environment?

Hilary Benn: As the hon. Gentleman will know, DEFRA's budget is going to rise from £3.5 billion this year to £3.96 billion in 2010-11, which is a real-terms increase of 1.4 per cent. a year. That is the first point. Secondly, where is that money going? One example is increased expenditure on flood defence. We were asked earlier by the Chair of the Select Committee, the right hon. Member for Fylde (Mr. Jack), for an assurance that that money would come through and my hon. Friend the Minister for the Environment gave that assurance.

We are investing more in low-carbon technologies, including through the environmental transformation fund, both at home and abroad—in response to earlier questions. In the end, action on climate change is not just about the amount of money that is spent by Government. It is about getting the right framework. In particular, it is about shifting the huge amounts of private sector investment in a low-carbon direction. That is why the Climate Change Bill is the most important contribution. There is also the climate change levy, which the hon. Member for East Surrey (Mr. Ainsworth) and his party have opposed; the energy efficiency commitment; the carbon reduction commitment, which will be part of the Climate Change Bill; and the carbon market and the EU emissions trading scheme, which is the best hope that we have when it comes to resulting in change in the direction that we all want—a significant reduction in carbon emissions.

Mr. Ainsworth: I wonder whether, prior to the Bali conference, the Secretary of State has had a chance to read the United Nations official report, which concluded on the Climate Change Bill:

"If the rest of the developed world followed the pathway envisaged in the UK's Climate Change Bill, dangerous climate change would be inevitable".

Earlier this week, the Secretary of State said that he would welcome an Opposition who came forward with ideas about how we could do things differently. I have an idea for him. Will he join me in welcoming proposals being put forward by the Conservatives today to revolutionise the way we invest in and promote renewable energy in this country?

Hilary Benn: I genuinely look forward to reading the proposals that the Conservative party has published. In the energy White Paper that was published in the summer there was a whole section on decentralised energy. This very morning, we are laying regulations to change the energy efficiency commitment, which I referred to a moment ago, so that microgeneration will be an eligible measure to support the new carbon emission reduction target. We recently announced a consultation to make it easier for householders to put microgeneration in without the need for planning permission. Microgeneration is eligible under the renewables obligation, and we are proposing changes in that regard. However, we will need to do more. I reiterate what I said earlier this week: we will look at what is required.

On the UN human development report—in answer to the first part of the hon. Gentleman's question—I suspect that that chapter was written before the Prime Minister made his speech a couple of weeks ago, in which he said that the science is changing, the evidence is changing and we will put to the climate change committee the question, "Do our targets need to be up to 80 per cent. in view of that change?" Even the UN human development report would recognise that, when it comes to leadership and action, the UK is indeed leading the world.

T4. [171759] **Mr. Lindsay Hoyle** (Chorley) (Lab): Will the Minister ensure that, from Christmas on, only turkeys will be stuffed, and not farmers? Does he agree that we need to recognise the importance of British farming by supporting home-grown products, with clear labelling and a greater use of the red tractor scheme? What help and support can he give in that regard?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I thank my hon. Friend for that question. Earlier this week, I attended the British Poultry Council awards ceremony in this House, at which the difficulties that the industry has faced this year were recognised. I was advised that sales were holding up and that British consumers were continuing to buy British poultry for its quality. Consumers recognise and want the Union jack label, and they are supporting the industry.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Information recently placed in the Library shows that Whitehall Departments and the services that they run are still not taking full advantage of British food in the public procurement process. British lamb prices are at their lowest for many years, so it is interesting that the Prison Service does not buy any at all. British food offers the very best quality and prices, so will the Minister ensure that all Departments are urged to take advantage of that?

Jonathan Shaw: I thank the hon. Gentleman for that question. I agree that we can do more to encourage procurement from British sources in the public sector. For obvious reasons, it is not always easy for military forces abroad to access domestic markets, and that must be taken into account when the total sums being spent are considered. However, Whitehall and local authorities have the opportunity to buy British, and we are encouraging them to do so. In that way, we will secure sustainable food sources that are not just British but also as local as possible.

T5. [171761] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend the Secretary of State will know that shipping accounts for 5 per cent. of the world's carbon emissions, a figure that is likely to rise by 75 per cent. over the next 20 years to a level that is twice that of aviation. Does he agree that the Bali conference must take that into consideration, and that it should be included in the agreement that will replace Kyoto?

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I agree, and I mentioned shipping in the list of objectives that I gave in answer to an earlier question. We have not made as much progress towards achieving international agreement about how we should deal with shipping, bunker fuels and so on as we have with aviation. Indeed, the EU Environment Council later this month will discuss aviation's inclusion in the EU emissions trading scheme, which I hope that we can achieve as quickly as possible.

T6. [171764] **Mr. Paul Burstow** (Sutton and Cheam) (LD): Will the Minister for the Environment confirm that a number of the flood defence projects that the Department has not yet approved have higher rates of financial and social return than many projects in other Departments that have secured approval? Surely the Treasury should provide the necessary funding so that the schemes can go ahead and provide the comfort and protection that many thousands of families deserve and expect.

The Minister for the Environment (Mr. Phil Woolas): I refer the hon. Gentleman to the comprehensive spending review announcement, which contained significant year-on-year increases in capital expenditure for both coastal and river and surface flooding. The necessary resources have been allocated for flood defences, and we can all argue different priorities when it comes to socio-economic benefits. However, I imagine that the hon. Gentleman's constituents want to know whether they are safe from flooding. We believe that our plans mean that they have the best chance possible, given the science that we have available.

Mr. Eddie McGrady (South Down) (SDLP): If he has not already done so, will the Minister study the impact of cheap Brazilian beef imports on the UK red meat market? He will be aware that Great Britain is the main market for red meat beef from Northern Ireland, where animal health is at a high level and where traceability and development are both good. Will he meet the Livestock Marketing Commission for Northern Ireland to discuss the 10-year plan that has been drawn up in consultation with his Department?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I am more than happy to arrange the meeting that my hon. Friend requests. We have been importing Brazilian meat for decades. We consume more meat than we produce. We have in place a range of safeguards for testing meats from not just Brazil but across the world. There have been inspections in Brazil. It is a regionalised country, and not every area has tuberculosis. The results of the most recent inspection have now come before the European Commission, which is considering them, and we will have discussions on them. We want to ensure that any meat or products that come into this country from anywhere in the world are as safe as possible and of the highest standard. If they are not, clearly we need to take action. That applies not only to Brazil, which is an important trading country for us. There have been about £700 million-worth of exports to Brazil this year, but we will make sure that there are safeguards in place as regards Brazil and all other countries.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will the Secretary of State instruct the Environment Agency to conduct an inquiry into the safety of the lagoons at the Glebe mine in Stoney Middleton? In January this year, one of the lagoons burst its banks and flooded the whole village; a Minister visited the area afterwards. There are reports that another, larger lagoon is already leaking. Given all the difficulties and dangers regarding the pollution of the rivers and the flooding of the village, will the Secretary of State ensure that the Environment Agency holds an inquiry as soon as possible?

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I am grateful to the right hon. Gentleman for bringing the problem to my attention. I will look into it straight away, and I will come back to him on it.

A303 Stonehenge Road Scheme

Mr. Speaker: I have granted an urgent question, but I inform the House that I expect debate on it to run for no longer than half an hour; the Front Benchers should keep that in mind.

11.32 am

Mrs. Theresa Villiers (Chipping Barnet) (Con) *(urgent question)*: To ask the Secretary of State for Transport if she will make a statement on the A303 Stonehenge road scheme.

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): May I begin by drawing the House's attention to the written statement that I made earlier this morning? After serious consideration, and with deep regret, I have announced today that the planned improvements to the A303 at Stonehenge will not take place. I recognise that the decision will be a bitter disappointment to the House, the local community, and the wider heritage community. However, the estimated costs have risen from the original £233 million in December 2002 to £540 million. The main reason for the tunnel cost increase was the discovery, following detailed ground condition investigations, of large quantities of phosphatic chalk and a high water table along the line of the tunnel. That significantly increased the costs and the time scale for tunnel construction. In my judgment, the scheme can no longer be afforded within existing budgets.

However, working with all the relevant stakeholders, I want to make sure that every alternative, affordable option for protecting and enhancing Stonehenge is explored. I will co-chair the reconvened Stonehenge programme board on Monday, along with the Minister with responsibility for tourism, my right hon. Friend the Member for Barking (Margaret Hodge). The Department will now consult on the possible closure of the junction of the A344 and A303.

Mrs. Villiers: The day the scheme was first announced, the Minister for the Arts, Baroness Blackstone, issued a press release entitled "Stonehenge Will Be Reunited With Its Natural Landscape By 2008".

"This is a great day for Stonehenge",

she enthused. The Minister before us today has had the unenviable task of admitting that the Government will never deliver on those high-minded promises. Will he tell us how much has been spent on the scheme that he is aborting today? Will he tell the House what impact the bottleneck has on the economy of the west of England? Will he acknowledge that the problem holds up road improvement and planning applications all the way to Penzance? Will he admit that Stonehenge's world heritage status will be in jeopardy if the problem remains unsolved? Will he confirm that in July the British Government were called on by UNESCO's World Heritage Committee to explain their lack of progress? Will he confirm that his proposal to close the A344 junction is subject to the agreement of Wiltshire county council? How likely is it that such permission will be forthcoming, given that the decision will drive more traffic on to the congested A303?

What will be the impact on local residents of the scrapping of the long-promised proposals for a Winterbourne Stoke bypass and a flyover at the Countess East junction? What has the Minister done to tackle rat-running through villages such as Chittern, through which satnav takes motorists frustrated by congestion on the A303? Above all, why have the Government taken 10 years simply to return to square one? In that time, the cost of the scheme has spiralled from £192 million to £540 million. Even now, their half-baked excuse of a proposal for the A344 may not happen, because there is no guarantee that they will receive the permission that they need from Wiltshire county council. That is one of the most notorious traffic bottlenecks in the country, and it impacts on great swathes of the south-west, which will feel betrayed by the announcement.

This is not just the latest in a long line of broken promises on road improvements. It is not just that £23 million of public money has been wasted. More than 5,000 years old, Stonehenge is one of the most famous sites in Britain and is well known almost everywhere on the planet. A world heritage site, it is the supreme achievement of a culture long since lost. Stonehenge—one of our greatest cultural icons—has been left in limbo for a decade as a result of the Government's total inability to make a decision or deliver on their very clear promises.

Mr. Harris: The hon. Lady asked how much public money has been spent on the scheme, and went on to give a figure. I have no intention of adding to that.

The hon. Lady is right to say that the scheme has a long history. We added the proposed improvement to the roads programme in 1998. The scheme was taken to public inquiry in 2004. The inspector's report was received in 2005, and it endorsed the improvement scheme. The scheme that we agreed in 2002, including the tunnel, had an approved cost at that time, as I said, of £223 million, which assumed a construction start date of spring 2005. Following the public inquiry, the Highways Agency reported in 2004 that the estimated scheme cost had risen to £410 million, for the reasons that I have given. Other factors contributed to the cost increase, including more stringent requirements for tunnelling work and rapid inflation in construction costs.

We concluded in 2005 that the cost increase was on such a scale that it was necessary to revisit other options to confirm whether the scheme taken to public inquiry remained the best solution. We therefore announced in July 2005 that we would defer a decision on the inspector's report and set up an interdepartmental review of all the options. The review identified a shortlist of possible options, including routes to the north and south of Stonehenge. After careful consideration, we have now concluded that owing to significant environmental constraints across the whole of the world heritage site, there is no acceptable alternative to the 2.1km bored tunnel scheme. However—and I hope that the hon. Lady agrees with this—making the best use of taxpayers' money is essential in the allocation of funding to transport schemes. When set against our wider objectives and priorities, we concluded that allocating more than £500 million for the implementation of the scheme simply cannot be justified. She may disagree, and decide that that should be a commitment in her party's manifesto at the next election, but the Government believe that that amount of money is not affordable. We have therefore cancelled the improvement scheme today.

To address the hon. Lady's specific questions, yes, the A303 is regularly congested. The regional transport board for the south-west has not given priority to that road. The regional financing arrangement that we implemented in 2005 allows local politicians to make local decisions and set their own priorities which the Government, on the whole, respect. Local politicians have not made the decisions that would allow early work to begin on the A303. The hon. Lady was right to raise the issue of UNESCO. I will write to UNESCO to explain the decision and what further efforts we will make to protect the world heritage site which, I agree, is of vital importance not just to this country but to the whole world.

As for the economic consequences of the continued congestion of the A303, I have been informed that, economically, the south-west is one of the fastest growing regions in the country. That does not mean that we should be complacent about congestion, but whenever the Government try to start a national debate about how we should deal with congestion, the Opposition are less than forthcoming and less than imaginative about how we should introduce demand management in the British economy.

The hon. Lady mentioned Wiltshire county council. I have been in discussion with my officials, who tell me that Wiltshire county council is looking with an open mind at the prospect of the closure of the junction of the A344 with the A303. I hope that we can make progress on that, and I hope that we will have her support and her party's support in the proposal to close that junction. Given the announcement that I made today, that remains the best option in the short term for protecting that site.

The hon. Lady spoke about rat-running, which is a concern to anyone involved in any of the communities, let alone to a Transport Minister. I have asked for very robust transport modelling to assess the consequences of closing off the junction of the A344, and I can assure her that I will not approve any scheme that puts at risk the lives and the safety of people living in that area.

Susan Kramer (Richmond Park) (LD): Will the Minister at least give us a timetable for coming to a decision on which option to pursue in regard to the A303? The decision has taken longer than it took to build the monument. Will he acknowledge that the overhang of the project has had the effect of crowding out funding for a series of schemes, including safety schemes on the A303 and dualling the remaining stretch of the A30 between Exeter and Truro that comprises a single carriageway?

Will the hon. Gentleman undertake that any scheme—it is bound to be major—that gets to grips with the problem will be funded outside the regional allocation for roads in the area? Will he please rule out the cheaper but frightening option of a cut-and-cover strategy for tunnelling in the area? Finally, will he give us his absolute assurance that he will engage with local people, as well as with the heritage associations, in trying to come to an appropriate decision for dealing with the road and the traffic congestion?

Mr. Harris: For clarity's sake, I should tell the hon. Lady who has, I am sure, read my written statement this morning, that we are not proceeding with the tunnel scheme, the cut-and-cover scheme or any major capital improvements to the A303 at this stage. She speaks about the crowding out of funding for the A303. She may or may not be right about that. I understand the financing constraints in the south-west. However, a huge amount of money has been allocated by the regional transport board for a number of projects in the south-west, which will have a major economic impact in the south-west.

The hon. Lady spoke of the cheaper but frightening cut-and-cover scheme. As I said, that also has been discounted as an option. It was not the preferred option endorsed by the Government or by the public inquiry. It is not an option on the table today. She asked for engagement with local people. I can assure her that with respect to the proposed closure of the junction of the A344 with the A303 there will be extensive consultation not only with local communities, but with the local county council and other interested bodies.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Natural England has a responsibility for protecting the interests of sites such as Stonehenge. Will my hon. Friend ensure that he includes Natural England in any discussions about how best to protect and safeguard the future of such an important world heritage site?

Mr. Harris: My hon. Friend is correct. We deal with Natural England on an ongoing basis. My Department is in regular contact with it. It will be involved in any decisions that are taken.

May I take the opportunity to restate the Government's genuine regret that we cannot afford to proceed with the scheme? This is not a proposal that I come to the House to report with a light heart. In an ideal world, we would use whatever money was available to proceed with the scheme. It is a matter of regret that we cannot do so. However, I genuinely believe that this is the right decision, given the economic circumstances and available budgets. If we were to use national funding for the scheme, that would mean some hard decisions about where to withdraw funding—for example, from the M25, the M62 or the M1. I suspect that such a proposal would not meet with much support in the House.

Robert Key (Salisbury) (Con): I commiserate with the Minister, who has been sent to the House to do his Secretary of State's dirty work. Will he explain why he could not simply have taken out the most extravagant part of the scheme—the tunnel—and pursued some of the other options, which, after all, the previous Government had committed to providing at dual carriageway standard? Will he confirm that he is also ruling out the National Trust's preferred option of a northern dual carriageway route?

As we look forward from the wreckage of the project, may I above all ask the Minister to ensure that he will instruct the Highways Agency to co-operate with the county council's highway authority and the Department for Culture, Media and Sport to ensure that every option is tried to provide an improvement to the road network past Stonehenge—including, perhaps, electronic traffic management to improve traffic flows? Will he confirm that we will not just tinker with a few white lines here and there? We should do something a little

[Robert Key]

radical, and not just completely rule out all improvements. To do that would be to the detriment of not only my constituents but the whole south-west economy—and, above all, the world heritage site of Stonehenge. Stonehenge remains a national disgrace, and that is the Government's fault.

Mr. Harris: I pay tribute to the hon. Gentleman, who has taken a necessarily close interest in the project. I do not want to lower the esteem in which his colleagues hold him, but in the past few weeks he has been very helpful to me as we have come to this decision. I am grateful for that.

The hon. Gentleman asked about other transport options. It would simply not make any economic sense from a transport point of view to progress the rest of the A303 improvements without the tunnel. That would not stack up in terms of economic benefits, and the business case for such a scheme would not be proven. That is why we have, reluctantly, come to our decision.

The hon. Gentleman also asked whether the northern route alternative was still an option. I have to tell him that it is not, as that is also outwith available budgets. On his third point, I should say that the road is the responsibility of the Highways Agency. Notwithstanding the requirement of the regional fund allocation to provide for major capital improvements, the Highways Agency's responsibility is to provide basic maintenance and ensure, for example, that accident blackspots are addressed. The agency will continue to do that.

This morning I asked officials to look again at the A303 to find out whether we could provide any other measures, additional to those that we have already undertaken. I cannot make any promises at this stage, but I will, of course, keep the hon. Gentleman informed.

Mr. Robert Walter (North Dorset) (Con): The A303 is the major east-west artery through my constituency, so I welcome the Minister's suggestion that the consequences of this issue will be considered by local politicians. However, I remind him that the Government ignored the South West regional assembly on the A303 improvements west of Ilminster.

More importantly, will the Minister confirm that the A344 closure will merely make the problem worse on the A303? Furthermore, will he confirm what I just heard him say—that all the other schemes on the A303 are being abandoned as well? Does that mean that we will no longer see the improvements between Wylye and Mere, the next major scheme after Winterbourne Stoke?

Mr. Harris: On the hon. Gentleman's final point, it is entirely up to the regional transport board in the south-west to decide its priorities. I have said in my statement that the major scheme improvements of the A303 as it affects Stonehenge will not take place.

The hon. Gentleman asked about the A344 closure and said that it would make the problem worse. An analysis and assessment of the exact repercussions on traffic will be part of the consultation on the proposed closure of that junction. I have already assured the hon. Member for Chipping Barnet (Mrs. Villiers) that if I judged that road safety would be compromised by the measure, I would not approve it. I do not believe at this stage that the measure would necessarily worsen congestion on the A303, but if it were proved that that would happen, it would be taken into account during the consultation process.

Mr. Eric Joyce (Falkirk) (Lab): Some years ago, I had the privilege of working for the director of the Royal Artillery at Larkhill, which is just a stone's throw from the site. There was a Tory Government at the time. This issue was, of course, a long-running sore. I hear what the hon. Member for Salisbury (Robert Key) says—the site is a bit of a disgrace. We had an imaginative in-house solution: to move Stonehenge across to the green area in front of the officers' mess at Larkhill. Is that a more realistic prospect than anything else?

Mr. Harris: There is a short and easy answer to that. There are no plans to move Stonehenge; I do not want to start any hares running on that. My hon. Friend says that he lived within a stone's throw of Stonehenge; that would probably be a very long way.

Sir George Young (North-West Hampshire) (Con): Does the Minister accept that, as a former Transport Secretary who had plans to deal with this problem and as a local MP for 15 miles of the A303 to the east of the Amesbury roundabout, I was very sorry to hear his statement? Does he recognise that the A303 is dual carriageway all the way from the M3 to the Amesbury roundabout? Does he also recognise that it is an increasingly busy road with several planned business parks and other developments on its periphery? Is it really feasible for him to say that he has no proposals at all to deal with the traffic west of the Amesbury roundabout?

Mr. Harris: Apart from the fact that Stonehenge is next to this road, it is a road of regional importance. As with all such roads, any proposal for major capital improvements would involve the regional transport board making recommendations to the Department for Transport. He is of course right to say that he considered the issue in his role as a former Secretary of State for Transport, and it is a matter of regret that I have to report to the House that I have made the same amount of progress as he did.

Mr. David Heath (Somerton and Frome) (LD): The A303 is supposed to be the second most important strategic route to the south-west and is therefore of national significance, and its neglect over recent years has been deplorable. Given that this scheme has pre-empted a large amount of potential funding, and given the requirements placed on regional authorities by bundling a variety of schemes together to put them out of the price range that is available to them, preventing the progress of perfectly sensible schemes that are already planned, will he look again at proposals such as the safety improvements on the Sparkford to Ilchester part of the A303 in my constituency, which were ready to run in 1997 and which we are now told will be delayed until 2016?

Mr. Harris: I think the hon. Gentleman is suggesting that the Government have some vested interest, or take some peculiar amusement, in creating congestion on

any road. If there were an affordable option for relieving congestion on the A303, I would take it. I do not accept his suggestion that other funding avenues have been precluded by consideration of this scheme, but perhaps that is an argument that we can have another day. As I said, the Highways Agency is responsible for maintaining the road and for addressing any safety issues along its route, and it will continue to live up to its responsibility.

Sir Patrick Cormack (South Staffordshire) (Con): Has the Minister not realised that everyone who cares about the built heritage of this country regards the presentation and the preservation of this unique monument of international importance as a national matter, not a regional matter? Is it not a damning indictment that a Government who could squander £700 million on the dome are not prepared to face up to their responsibilities for that?

Mr. Harris: I suspect, Mr. Speaker, that you would be quick to call me out of order if I started a debate on the dome.

I hope that the hon. Gentleman is not suggesting that I or the Department for Transport have no consideration for the value that Stonehenge has in itself and to the rest of the country. It can be argued that Stonehenge is of national importance; the A303 is a road of regional importance. I am the Minister responsible for the Highways Agency, which is not responsible for Stonehenge. Having said that, I am entirely aware of the importance of the DFT and DCMS working together with all the necessary agencies to try to come up with a scheme that is affordable and protects this hugely important and, as the hon. Gentleman says, unique asset in the long term.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Representing Bridgwater means that I have some of the largest distribution centres in the south-west to the south of Bristol in my constituency. I get constant complaints about the level of lorry usage. To get the goods that we need, those lorries have no option but to come from the south coast. This announcement is a slap in the face for business throughout Somerset and the south-west. It will make things much more difficult, given that on certain weekends those lorries cannot move on Friday and Sunday nights because of the weight of traffic around Stonehenge. Does the Minister realise the damage that the Government are doing to business in my area by not allowing the scheme to go ahead?

Mr. Harris: I absolutely disagree with the hon. Gentleman, who is trying to make an entirely partisan political point. Given the record amounts of money that this Government have spent on transport infrastructure in the south-west in the past 10 years—considerably more than was ever spent under any previous Government by the right hon. Member for North-West Hampshire (Sir George Young)—I hardly think he can say that we are responsible for a lack of economic growth in the south-west. On the contrary, as has already been pointed out, the south-west is one of the fastest-growing regions in the country, and that is thanks to this Government's investment in the transport infrastructure.

Mr. Adrian Sanders (Torbay) (LD): May I point out to the Minister that the far south-west is not sharing in that economic growth, partly because it needs investment in transport schemes? I welcome this announcement because it releases money within the regional budget to complete some important road schemes such as the Kings Kerswell bypass. However, given that Stonehenge is of national and international significance, any road scheme that alleviates problems around that area should be paid for by the national taxpayer, not out of regional allocations.

Mr. Harris: Is the hon. Gentleman suggesting that any road solution should be paid for at any cost—that the Government should write a blank cheque? When the scheme was first proposed, the original price was about £223 million, £70 million of which it was rightly suggested should be met by DCMS. That was correct because, as the hon. Gentleman says, Stonehenge is a matter of national cultural importance. However, given the amount of the increases over the past few years, does he seriously believe that no matter what the cost of such a scheme, the Government and the taxpayer should pay for it? If so, that is a fairly legitimate point of view, but it is not one that I—or, I suspect, the taxpayer—would share.

Mr. Tobias Ellwood (Bournemouth, East) (Con): This is more than a disappointment—it shows 10 years of failure. It is not just a transport issue—it also affects tourism. Tourism is Britain's fifth largest industry, but the Government do not take it seriously. They are failing to harness the importance of this heritage site and major attraction. How many more years must we wait until we see an improvement to the Stonehenge area?

Mr. Harris: Well, the hon. Gentleman has his press release.

The planning permission that was given as part of the public inquiry included provision for a new visitor centre at Stonehenge. I understand that the current visitor centre is not particularly attractive, and I will work with DCMS and the Minister responsible for tourism, my right hon. Friend the Member for Barking, to progress plans for an alternative site for a world-class tourism centre. I hope that that will be up and running before the Olympics.

Paul Holmes (Chesterfield) (LD): Earlier this year, I had the privilege of spending a day touring the landscape around Stonehenge with the National Trust, which looks after most of that historic landscape, and I met representatives of English Heritage, which looks after the stones. This world heritage site is scarred, almost destroyed, by a busy A road passing a few yards away from the stones. It is a national disgrace and a national problem, and the national Government should be tackling it. I reiterate the point made by the hon. Member for South Staffordshire (Sir Patrick Cormack): a Government who can spend almost twice as much money as this on a white elephant like the millennium dome should be investing in the single most important historic site in the whole of the UK.

Mr. Harris: In the seven years to 2007-08, DFT spending on road and rail in the south-west more than doubled to £825 million. If the hon. Gentleman is saying, like the hon. Member for Torbay (Mr. Sanders), that no matter what the cost of the scheme the Liberal Democrats would meet it, I suspect that they are now regretting their policy of putting 1p on income tax.

Business of the House

11.58 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 10 December will be as follows:

MONDAY 10 DECEMBER—Second Reading of the Planning Bill.

TUESDAY 11 DECEMBER—It is expected that there will be an oral statement on the children's plan, followed by a general debate on European affairs.

WEDNESDAY 12 DECEMBER—Opposition Day [4th allotted day]. There will be a debate entitled "Northern Rock and the Banking System", followed by a debate entitled "The Military Covenant". Both debates arise on a Liberal Democrat motion.

THURSDAY 13 DECEMBER—Topical debate: subject to be announced, followed by remaining stages of the Crossrail Bill.

FRIDAY 14 DECEMBER—The House will not be sitting.

The provisional business for the week commencing 17 December will be:

MONDAY 17 DECEMBER—It is expected that there will be an oral statement following the European Council, followed by Second Reading of the National Insurance Contributions Bill.

TUESDAY 18 DECEMBER—Motion on the Christmas recess Adjournment.

Mrs. May: I thank the Leader of the House for giving us the future business.

Later today, the Monetary Policy Committee will decide whether to reduce interest rates—

Chris Bryant (Rhondda) (Lab): Now.

Mrs. May: Now, as we speak. There is serious concern about the property market in the context of an economic slowdown and problems in the banking industry, so can next week's topical debate be on the housing market?

Back in July, the Prime Minister told the House:

"we seek...an all-party consensus on...new provisions for pre-charge detention"—[*Official Report*, 25 July 2007; Vol. 463, c. 843.]—

that is, the 28-day issue. Yet without any consensus, the Home Secretary has leaked her plans to the media and released a paragraph-long excuse for a written statement. Shami Chakrabarti of Liberty says:

"It seems more like politics than policy-making".

Why has the Home Secretary not come to the House to make a proper oral statement so that Members can question her on her policy? Every week, the Leader of the House tells us that she puts Parliament first; every week her colleagues treat Parliament with disdain.

The European Parliament has ruled that the United Kingdom is entitled to one more MEP. On the numbers, that seat should go to the west midlands, but it is rumoured that the Prime Minister wants to give it to Scotland for party political reasons. Can the Leader of the House confirm that the decision concerning which region gets the extra seat is based on fair representation, not party political calculation?

Dave Hartnett, the acting chairman of Her Majesty's Revenue and Customs, yesterday accepted that the recent data breaches

"indicate a wide systematic failure".

There have been seven HMRC security breaches "of some significance" in the last two and a half years, but the Chancellor and the Prime Minister continue to hide behind their claim that there is no systematic failure. Why will they not take responsibility and get a grip? Will the Chancellor come back to the House to make a new statement in light of this new information?

While Labour politicians debate ditching the national anthem and changing the Union flag, the Prime Minister is about to break his manifesto promise and sign us up to the renamed European constitution, without a referendum. May I add my support to the European Scrutiny Committee, which is chaired by the hon. Member for Linlithgow and East Falkirk (Michael Connarty), a Labour Member? The Committee says that

"the matters raised should be debated on the Floor of the House before the Treaty is signed...we therefore hold the document under scrutiny".

May we have a debate, in Government time, specifically on the treaty? Last week, the right hon. and learned Lady said that she wants to

"reform and improve European scrutiny".—[*Official Report*, 29 November 2007; Vol. 468, c. 444.]

She can make a start here.

Finally, it was reported this morning that Labour officials helped David Abrahams draw up covenants to hide his donations. Since the right hon. and learned Lady's performance last week, we have found out that she failed to declare a £40,000 loan to the Electoral Commission. However, she told the House that she

"acted at all times within both the letter and the spirit of the law."—[Official Report, 29 November 2007; Vol. 468, c. 435.]

I ask her again: when will she come to the House to make a full statement about her conduct and the lawbreaking in the Labour party?

Ms Harman: The right hon. Lady raised the question of the housing market. She will know that we are concerned that there should be more affordable housing to rent and buy. That is why we have introduced a Bill on housing that will increase the supply of housing for families who need it. I look forward to her supporting that Bill, and to all hon. Members ensuring that their housing supply can be improved in their local authorities. She also mentioned interest rates. She knows that under this Government interest rates have been kept low and stable, whereas under her Government they rose to 15 per cent. and people lost their homes because of negative equity.

The right hon. Lady raised the question of the written ministerial statement that the Home Secretary issued to the House this morning, and the letter that she sent to the Home Affairs Committee. She knows that the Government's position remains that we are concerned to ensure the security of people in this country. That is absolutely essential. We are also concerned to ensure civil liberties and appropriate safeguards for everybody

in this country. We are seeking an all-party consensus and we are having talks in order to reach agreement so that we can protect safety and ensure civil liberties.

When the hon. Lady raises this question—[HON. MEMBERS: "Right hon. Lady."] I am sorry. When the right hon. Lady raises the question, it strikes me that whatever we propose and whatever this House legislates about, defendants and subjects have the protection of the Human Rights Act; but if the Conservative party were in government, they would abolish it. The House awaits the Select Committee's report.

The right hon. Lady mentioned a number of issues about the European Parliament and European affairs. My hon. Friend the Deputy Leader of the House is having discussions on how we can do what we all agree we need to do: improve the scrutiny of European affairs. Indeed, the right hon. Lady has put forward 10 suggestions to that effect, and my hon. Friend has said that she has considered them and they are not all mad. *[Laughter.]*

Chris Bryant: But some of them are.

Ms Harman: Some of them are useful contributions to the debate, and I thank her for that.

The right hon. Lady also mentioned party funding. I answered questions about that at business questions last week, the House considered it during an Opposition day debate on Tuesday, the Prime Minister answered questions about it on Wednesday and the House had a further opportunity to discuss it during a debate on standards in public life yesterday. We have had a great deal of discussion in this House, but we are yet to see the Tories returning to all-party talks, and I hope that they will do so now.

Mr. David Anderson (Blaydon) (Lab): May we have a debate in this House on the report from Energywatch that shows that people who use prepayment meters spend on average £195 a year more than those who pay by direct debit? That is an attack on poor people.

Ms Harman: I will take that as a suggestion for a topical debate.

Mr. Andrew Robathan (Blaby) (Con): It is not topical.

Ms Harman: It is topical; people cannot afford their heating when it gets colder. I will take that as a suggestion for a topical debate, and I thank my hon. Friend for making it.

Simon Hughes (North Southwark and Bermondsey) (LD): I start by returning to the issue of detention without charge. Given the huge importance of the issue, and the clear opposition of Liberal Democrats, the Conservative party, many Members in the Labour party and other parties, the previous Attorney-General Lord Goldsmith, the Director of Public Prosecutions and Lord West, the Minister responsible for security—until he was sat on—will the Leader of the House insist that the Home Secretary comes to the House on Monday to make the oral statement that this issue merits? A written statement attached to documents in the Library that are complex as well as controversial is not an appropriate way for the Leader of the House to honour her obligation to the House; she said that Ministers would report to the House first and answer questions. She must insist that the Home Secretary does so.

On a linked civil liberties issue, when will we have a debate on identity cards? Richard Thomas, the Information Commissioner, said yesterday in front of the Justice Committee:

> "Keeping this massive database with records of every time the card is swiped through a terminal is distinctly unattractive and would increase the risks."

Surely the subject of identity cards, and the nonsensical Government policy of pursuing them, is appropriate for a Government debate or a topical one between now and the end of term.

Given that the Information Commissioner also told the Justice Committee that, in the wake of the loss of 25 million names of benefit recipients and their families,

> "It is important that the law is changed to make security breaches of this magnitude a criminal offence",

may we have a debate on the legal implications of the use and misuse of information? In particular, can the Leader of the House and the Secretary of State for Work and Pensions explain whether the same principles apply to Ministers for revealing information about funds as apply to the tens of thousands of people who are prosecuted by the Department for Work and Pensions for not declaring sums that they have received and who are convicted in the courts up and down the land?

Lastly, may we have a debate soon—and then annually—on the relative position of Britain among the 30 Organisation for Economic Co-operation and Development countries? We recently came bottom in the league table of childhood happiness. We have been reported as dropping from seventh to 17th in our reading ability and from eighth to 24th in our maths ability. With 148 out of every 100,000 people in prison, we have the highest number of people in prison in the whole of western Europe. Why is it that on so many different occasions and different subjects Britain is now gaining the reputation of being one of the failing states of western Europe?

Ms Harman: The hon. Gentleman mentioned the question of the Home Secretary's giving information about a further proposal for consideration to deal with extended detention. If I think that information that should have been announced first to the House has been announced on "Today" and has then been the subject of an oral statement, or if major policy has been announced without reference to the House, I will not accept that situation. That is my commitment. However, on this occasion I do not think that it would have been right for me to say to the Home Secretary, "Come to the House and make an oral statement." No hon. Member tabled an urgent question, so clearly no one else in the House thought that there should be an oral statement. She has produced a written memorandum to the Select Committee and a written ministerial statement. The Home Secretary is very forthcoming to the House on these issues. She is a respecter of the House. She is not a spinner. She answers questions, and therefore I cannot agree with the hon. Gentleman that she has not respected the House and that I, as Leader of the House, should suggest that she come here. I simply do not accept that.

The hon. Gentleman also talked about identity cards and asked for them to be chosen as a topic for debate. His party has just chosen two topics for debate next

[Ms Harman]

week. Neither is identity cards: one is Northern Rock while the other is the military. Yesterday, there was a debate on identity in Westminster Hall—

Simon Hughes: It was one of ours.

Ms Harman: Indeed it was. The House has opportunities to discuss that important issue.

The hon. Gentleman then launched off on to our being a failing state for children. My constituency is in the same borough as his, and is its neighbour. He will know, as all hon. Members do, of the huge change that there has been in the investment in children's education. He will know that every secondary school and primary school has had capital investment. He will know that there are 40,000 extra teachers and 100,000 extra teaching assistants. He will know that there are more nursery places for children and that more young people go into further and higher education. He will know that we are moving on to increase the education leaving age from 16 to 18. I do not know on which planet he is living when he says that there is a failing state for children. The Government have made children and education a priority and I suggest that the hon. Gentleman listens to my right hon. Friend the Secretary of State for Children, Schools and Families when he sets out the children plan in the House next week.

Anne Moffat (East Lothian) (Lab): I congratulate my right hon. and learned Friend and the Prime Minister on the announcement that was made earlier today about a badge for land army girls. That is something that I have felt very passionate about. After the Bevin boys were rewarded, it was only right that the women who worked so hard during the war to keep the home fires burning and everybody fed should be honoured in the same way.

Ms Harman: The whole House should recognise and pay tribute to the efforts of my hon. Friend, without whom that would not have happened. It was right that she brought the subject to the attention of the House and relevant Ministers and that she insisted and argued cogently that the efforts of the members of the Women's Land Army should be recognised, just as those of the Bevin boys have been. Justice has been done because of her efforts, and I want to thank her.

Sir Nicholas Winterton (Macclesfield) (Con): When does the Leader of the House intend to come to the House to make public the recommendations of the Senior Salaries Review Body? The Government have had the report for more than six months. Members' pay—I am concerned about hon. Members in all parties—is falling further and further behind. Is it not time that the Government came to the House, presented the report and allowed the House to debate the recommendations?

Ms Harman: It is St. Nicholas's day today, so I was expecting the hon. Gentleman to get to his feet. We will bring forward the debate for discussion, but I cannot say that it will be debated before Christmas.

Mr. Jim Cunningham (Coventry, South) (Lab): May we have a debate on the plight of the Palestinians, particularly regarding the new middle east peace initiatives?

Ms Harman: I know that that is a priority for the Foreign Secretary and the Prime Minister. I shall take that as a suggestion for a topical debate; the whole House is concerned about it.

Peter Viggers (Gosport) (Con): Will the Leader of the House find time at an early date for a debate on an issue that those directly concerned find the most important of all, namely the availability of the drug Alimta for the treatment of mesothelioma? Is the Leader of the House aware that the drug has been approved by the National Institute for Health and Clinical Excellence and is available through some primary care trusts, but not through others who have taken legal action to prevent the requirement that they should use it? Does she agree that the debate might allow opinion from both sides of the House to bring pressure to bear so that the intolerable situation can be drawn to a conclusion?

Ms Harman: I will bring the question that the hon. Gentleman has raised to the attention of my right hon. Friend the Secretary of State for Health. There will be Health questions before Christmas, so I shall give my right hon. Friend notice and perhaps the hon. Gentleman can seek to raise that point then.

Tony Lloyd (Manchester, Central) (Lab): Further to the helpful answer that my right hon. and learned Friend gave to my hon. Friend the Member for Blaydon (Mr. Anderson) about the potential for a topical debate on the differential between the charge for those who pay for gas and electricity by direct debit and the higher charge for those who pay by other means, which is effectively a tax on the poor, will she add to that debate the need for the same consideration of telephone charges? Those who do not pay by direct debit can be charged up to £15 more. In the modern world, although the situation is not exactly the same as that for gas and electricity, the telephone is now a vital service for many people, particularly the elderly alone in their homes.

Ms Harman: I will take the suggestion for a topical debate. On the question of the higher charges that are paid by those who can least afford them, in order both to stay in touch by using the telephone with standing charges and to buy fuel, my hon. Friend will be aware that we have done a great deal to lift the income of pensioners and families with children. We know that that is still an issue, and I shall bring it forward as a suggestion for consideration for a topical debate.

Pete Wishart (Perth and North Perthshire) (SNP): May we have an early statement from the Home Secretary about her intention to renege on honouring the police pay settlement in full? In it perhaps she could congratulate the Scottish Government, who have made clear their intention to honour the commitment in full and pay the Scottish Police force what they are entitled to. Does that not contrast the difference between the two Governments and suggest why the Scottish National party is 11 points ahead of Labour in Scotland?

Ms Harman: I think the House will know that since the Government came into office there are more police than there were before and that they are better paid—and

rightly so. The hon. Gentleman will know that the Home Secretary issued a written ministerial statement on police pay this morning.

Lyn Brown (West Ham) (Lab): Following on from the question that the hon. Member for Gosport (Peter Viggers) asked about Alimta, I am honoured to have been made patron of the East London Mesothelioma Society. I am proud of that. May we have a topical debate on the cancer reform strategy? We have not yet debated it.

Ms Harman: That is a good suggestion for a topical debate. Our cancer plan has meant that mortality rates from cancer have fallen by 17 per cent. However, we all agree that we can do more, through not only treatment and caring for those who have cancer but early detection. The cancer reform plan is determined to do that. I therefore agree that it would be useful to have a debate on it in the House.

Mr. William Cash (Stone) (Con): The Leader of the House has vital functions in defending Parliament on behalf of Parliament as whole. Does she accept that the European Scrutiny Committee report on the reform treaty is highly critical of the Government? Does she also accept that, as the Chairman of the Committee said last week, the report warrants discussion on a substantive motion on the Floor of the House before the treaty is signed, that the Government are not offering that and that the Leader of the House is therefore in derogation of her duties, which is a disgrace?

Ms Harman: There will be a debate before the treaty is signed and a statement afterwards. The hon. Gentleman knows that we will spend many days on the Floor of the House debating the matter—we have set that out in our legislative programme.

I look forward to concluding the institutional changes that are necessary as a result of enlargement. It is important to revert to and stay focused on the agenda of the contribution that our membership of the European Union can make to our economy and our efforts to tackle climate change and transnational crime. I know that many hon. Members want to spend a huge amount of time discussing the structures—I acknowledge that structures are important—but many more people want to discuss the way in which we, as EU members, can improve matters for people in this country and Europe as a whole.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): May I ask the Leader of the House to go further on the debate on the European Union on Tuesday? It will be the last time that the House has a chance to discuss issues before the Prime Minister is expected to sign the treaty of Lisbon. Will she ensure that an up-to-date version of the text of the treaty is available to hon. Members on Tuesday because that is the last chance to debate it?

Ms Harman: My hon. Friend makes a good point, which I will bring to the Foreign Secretary's attention.

David Howarth (Cambridge) (LD): Returning to the detention of terrorist suspects without charge, may we have a debate specifically about the separation of powers? The Home Secretary's proposal appeared to involve votes by hon. Members effectively on whether individuals should be detained. Frankly, that is repugnant. It smacks of the institutions of the French revolution, such as the Committee of General Security. Is no constitutional principle safe in the Government's hands?

Ms Harman: We want to ensure that people are physically safe from the threat of terrorism. That is what we want to make sure is safe in the Government's hands. I share Liberal Democrats' concerns about civil liberties and I want to be sure that proper safeguards exist. However, the absolute bottom line is that we must ensure that we have the right provisions so that people in this country are safe and so that, if terrorists are suspected and arrested, they are not allowed to slip through our hands and perpetrate a terrible crime. I hope that Liberal Democrat Members will join us in acknowledging that. We are all concerned about safeguards and ensuring that the Home Secretary, the judiciary and the House have the right role. All those matters will be discussed.

Mr. Dennis Skinner (Bolsover) (Lab): Could the Leader of the House take it into account that, whenever a request is made to debate MPs' salaries, it always comes from the Tory side? Most Labour Members believe that you can't starve on £60,000 a year. If the taxpayer's money is to be spent wisely, let us use it for such things as free personal care for the elderly in nursing homes. That is much more important than the inflated MPs' pay that the Tories always demand.

Ms Harman: I look forward to my hon. Friend's contribution to the debate on the SSRB report when I can present it to the House.

Sir Patrick Cormack (South Staffordshire) (Con): Has the Leader of the House reflected further on choosing subjects for topical debate? It is now clear that the Standing Orders of the House do not place an obligation on her to make the choice. Would it not be fairer if the choice were made by Mr. Speaker or by ballot?

Ms Harman: The hon. Gentleman will remember that the Modernisation Committee—[HON. MEMBERS: "Just say no."] I think I am probably saying no. The Modernisation Committee proposed that some Government time—we are not considering Opposition day debates—should be used to allow the Chamber to discuss issues of topical importance. The Committee suggested that that should be done through the usual channels, although the debates were to be an opportunity for Back Benchers. The Government gave their response and we passed Standing Order No. 24A, which simply provides that the topic will be chosen by the Leader of the House. I issued a written ministerial statement to outline my criteria for subjects for the debates. They are: the subject should be topical; the House has not had an opportunity to debate it; it is a matter of public policy; it is a matter of public concern, and it is of international, national or regional importance.

It is early days. We have had only three topical debates. We need to reflect on the matter in the new year in light of our experience of the debates, and ascertain whether we need to change the process and the Standing Orders.

[Ms Harman]

However, one of my concerns is that the topical debates are supposed to be Back-Bench debates but, because Front Benchers make so many interventions and have many interesting things to say, many Back-Bench colleagues have not been able to speak in the important debates. I therefore want to consider how we ensure that there is more time for Back Benchers in the topical debates.

Dan Norris (Wansdyke) (Lab): Norton Hill secondary school in my constituency, under the headship of Peter Beaven, has just had an Ofsted report. The school was deemed outstanding under each of the headings under which it was assessed. That is a highly unique status. However, although schools and pupils throughout the country have attained much better results under a Labour Government in the past 10 years, many pupils, especially those from more modest backgrounds who are in the first generation to go to university, still do not aspire to the very highest and most traditional universities. They avoid applying to, for example, Oxford or Cambridge. May we have an early debate on how to encourage those young people, who are now achieving terrific grades, to aspire to the very highest standards in our land?

Ms Harman: My hon. Friend makes a good point. I congratulate all those—the head, the teaching team, the parents and pupils—involved in Norton Hill secondary school and acknowledge my hon. Friend's support for it. However, his comments reflect the revolution in our expectations of the number of young people whom we want to go into further and higher education. The Tories were happy for only a few young people to go on to further and higher education. We believe two things: first, parents want the best for their children; secondly, in a globalised market, our economy needs the children to be the best, so higher education is essential.

Several hon. Members *rose—*

Mr. Speaker: Order. Eleven hon. Members are standing. I want to take you all, so let us have one brief supplementary from each hon. Member.

Mrs. Siân C. James (Swansea, East) (Lab): Thank you, Mr. Speaker.

Mr. Andrew Mackay (Bracknell) (Con) *rose—*

Mr. Speaker: You are in the queue; do not worry about it.

Mrs. James: Cyberbullying is of major concern to many people. Several constituents have approached me, expressing anxiety about incidents of happy slapping, which have been uploaded on to the internet. Will my right hon. and learned Friend consider a debate on cyberbullying?

Ms Harman: I will; and I will also suggest that it would be good for my hon. Friend to contribute to the new guidance on bullying that will be sent to education authorities and all schools, on which my right hon. Friend the Secretary of State for Children, Schools and Families is currently consulting.

Mr. Andrew Mackay (Bracknell) (Con): Should not the Secretary of State for Work and Pensions make a statement next week about the future of Mr. Paul Myners, the chairman of the personal accounts delivery authority, in the light of his controversial remarks on last week's "Question Time" and, as importantly, the fact that, as we have now learned, he made substantial contributions to the Prime Minister's leadership election campaign, even though we were told at the time of his appointment that he had made no political donations whatever?

Ms Harman: I watched the programme to which the right hon. Gentleman refers and I could not see anything controversial about Paul Myners's remarks. He said that we had an exceptionally strong economy with steady growth, which was down to the expert management of the Chancellor at the time, who has now turned into a first-rate Prime Minister. I could not see anything about that to disagree with.

Mrs. Madeleine Moon (Bridgend) (Lab): May we have a debate on whether people should have to opt out of kidney transplantation, rather than opt in to it? My constituent, Mark Schofield, recently travelled to the Philippines in an attempt to buy a kidney for £40,000, when the one donated by his mother Jean failed. We are now at the stage where 380 people in Wales are waiting for kidney transplants. Could we consider moving the situation forward, to an opt-out rather than an opt-in?

Ms Harman: I will draw my hon. Friend's comments to the attention of my right hon. Friend the Secretary of State for Health. We all know that transplantation of a donated organ can transform the life of the recipient. We also all know that many people suffer while they are waiting for a transplant or even die before it becomes available. We know, too, that relatives of many people who would be happy to donate their organs often do not receive a request on their behalf. I will bring that matter to the attention of my right hon. Friend the Secretary of State for Health.

Mike Penning (Hemel Hempstead) (Con): Tuesday morning will be the second anniversary of the Buncefield disaster, which destroyed many parts of my constituency. Sadly, two years on, we have had just one statement, on the Monday immediately after, but not one written or oral statement to the House. We have had planning blight; an inquiry is being held behind closed doors; the water table is contaminated; and now disfigured animals are being born, which the Government's chief scientist has been informed of. Can we have the Secretary of State for Environment, Food and Rural Affairs come here to tell us what is going on in my community and what is going to happen at Buncefield?

Ms Harman: The hon. Gentleman has raised the issue previously. It is an important issue for his constituency, but it also raises national concerns. I take the points that he has made and will raise them with the relevant Ministers. I will write to him and place a copy of the letter in the Library, and hopefully we will see further action on that.

David Taylor (North-West Leicestershire) (Lab/Co-op): Notwithstanding our Government's generally good record on animal policy, there is growing public

concern that unfinished business remains in areas such as animal husbandry and animals in the laboratory. It is for those reasons that a number of us tabled early-day motion 480 yesterday, on a cross-party basis, which calls for an animal protection commission to drive forward improvements in that area.

[That this House notes the growing body of scientific evidence showing animals to have complex mental and emotional lives; considers all vertebrates and possibly some invertebrates to be conscious, feeling beings with an interest in living, avoiding suffering and experiencing pleasure; acknowledges that each animal has inherent value and is worthy of serious moral consideration; considers respect for animals to be indicative of the level of civilisation; is concerned that policy-making is led by industries that inevitably compromise animals' welfare and interests, and thus the most essential interests of animals and the public's concern for their protection are given insufficient consideration; endorses the Prime Minister's call for constitutional reform that 'entrusts more power to Parliament and the British people'; notes that there is no Government body whose primary purpose is to protect the interests of animals in policy-making; and calls upon the Government to establish an Animal Protection Commission or similar body, answerable to Parliament via a Minister, with a remit which includes the ongoing examination of the ethical status and rights of animals and how they are affected by policy-making, the facilitation of genuine public participation throughout policy processes which affect animals, and the development of a cross-Government agenda for animal protection.]

Could the Leader of the House take this as a submission for a debate on that early-day motion?

Ms Harman: We recently had legislation on animal health, and I know that there is concern throughout the House. While we continue to have farming and the opportunity for experimentation on animals for necessary medical research, there is always a concern about animal safety. I will bring my hon. Friend's point to the attention of my right hon. Friends the relevant Ministers.

Jo Swinson (East Dunbartonshire) (LD): One year on from the horrific murders in Ipswich can we have a debate on what the Government are doing to improve the safety of vulnerable prostitute women?

Ms Harman: I will take that as a suggestion for a topical debate. Ministers across Government are concerned to ensure that women are not vulnerable. Many of the women involved in prostitution are brought here from abroad, and we have raised the issue of human trafficking in the European Council. Also, many of the women on the streets suffer from alcohol or drug abuse and mental health problems. I shall bring the issue to the attention of my hon. Friends, and perhaps the hon. Lady could raise it in a Westminster Hall debate.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can we have a debate on the recent decision by the Law Lords to deny compensation to victims of asbestos-related disease? My right hon. and learned Friend may be aware that the Scottish Parliament has committed itself to overturning that decision. I sincerely hope that it is genuine in its endeavours. Will my right hon. and learned Friend assure the House that if the Scottish Parliament is successful, the same effort and commitment will be applied throughout the UK for victims of asbestos-related diseases?

Ms Harman: I agree with my hon. Friend's point, particularly on the effect of the recent House of Lords judgment on pleural plaques, which is being studied. We want to do everything that we can not only to prevent people from suffering from industrial disease, but to compensate and support those who have tragically had their lives ruined simply by working in unhealthy workplaces.

Mr. Stewart Jackson (Peterborough) (Con): When we next consider party funding in this place, will the Leader of the House give consideration to the propriety or otherwise of the Chancellor of the Exchequer's appearance this week at a Labour fundraising event hosted by Deutsche bank, which is a party to the consortium hoping to take over Northern Rock? Does she think that there is a possible conflict of interest in that issue?

Ms Harman: I am sure that there is no conflict of interest. The appearance that I would like to see is that of the Conservative party at the all-party talks.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): May we have a debate on the provision of post offices here in the Palace of Westminster? Why do pensioners in the villages of Sandsend, Ruswarp and Fyling Thorpe in my constituency have to travel more than 3 miles to a post office, whereas other pensioners such as the hon. Member for Bolsover (Mr. Skinner) have the benefit of three post offices within 100 yd?

Ms Harman: The hon. Gentleman raises an important issue, which is a concern throughout the House. He will know that up to 2009 there will be £1.7 billion-worth of extra investment in post offices. This is a time of big change in post offices. They are important to local communities, and there was a debate in Westminster Hall either last week or earlier this week, so the issue is constantly debated in the House.

John Bercow (Buckingham) (Con): Further to the highly pertinent inquiry from my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), may I ask the right hon. and learned Lady why the long-awaited and much delayed report by the Senior Salaries Review Body cannot be published and debated next week? Given that the matter has been raised several times with her, not least on 5 and 26 July, on 11, 18 and 25 October and on 8 and 15 November, by right hon. and hon. Members in all parts of the House, including the right hon. Member for Warley (Mr. Spellar), would she concede that it is high time we discuss the matter, that it would be intolerable to slip out the report quietly with Government recommendations during the Christmas recess and that she would of course contemplate doing no such thing?

Ms Harman: I would contemplate doing no such thing; the hon. Gentleman can be assured that there will be no slipping out of the report over the Christmas recess. I know that the House is eager to see the proposals and to debate and vote on them, and there will be an opportunity for that in the new year.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Will the Leader of the House find time for a debate on the recent local government finance settlement, so that we could discuss two things in particular? One is the severe—

Mr. Speaker: Order. Perhaps I am mistaken, but if the hon. Gentleman is referring to the local government finance settlement, that is the next statement coming up. We have a Minister coming to discuss that matter, and the hon. Gentleman might catch the Deputy Speaker's eye at that stage. However, perhaps he is talking about something else.

Mr. Clifton-Brown: Thank you very much, Mr. Speaker. We are indeed about to get a local government settlement. Can the Leader of the House make special representations in that settlement, so that we secure one that represents all the unfunded items that the Government keep loading on local authorities, which in turn will increase the council tax, which will have a severe impact on some of the poorest in our society? Perhaps the Minister for Local Government, who is standing beside you, Mr. Speaker, will take that into account.

Mr. Speaker: The appropriate Minister will have heard what the hon. Gentleman has said.

Mr. Mark Harper (Forest of Dean) (Con): The Leader of the House will know that there has been confusion about the arrangements for the Government Equalities Office. She will also know that I wrote to the Prime Minister about this matter. On 8 November, the Prime Minister replied to say that he would arrange for the Leader of the House to reply to me directly. I know that the right hon. and learned Lady takes the issue of timely correspondence very seriously, but I have yet to have a reply from her. Might she be able to indulge me with a reply before Christmas?

Ms Harman: The answer to that is yes. I have received the hon. Gentleman's correspondence, and he will get a reply this afternoon. In regard to the hon. Member for Cotswold (Mr. Clifton-Brown), I wonder whether he was practising his question before putting it to the relevant Minister.

Mr. Peter Bone (Wellingborough) (Con): Mrs. Carter, a lovely lady in my constituency, suffers from spinal stenosis and is in a lot of pain, if not agony, most of the time. She normally goes to Northampton general hospital four times a year for treatment to alleviate the pain. The last time she went was in June, but she has now been told that she cannot go again until the middle of January, although she is suffering in agony. The reason for the change is apparently so that the hospital can see new patients first. With apologies to Mark Twain, would it be possible to have a debate in Government time entitled "Lies, damned lies and NHS statistics"?

Ms Harman: Obviously, it is important that all hospitals and health services have the right processes and give the right priority to patients. The hon. Gentleman has raised a point that should be the subject not of a debate in the House but of a complaint to the relevant trust or local primary care trust. It is a matter for them, rather than for the House. I know that the hon. Gentleman regularly raises questions on the health treatment of his constituents, and I therefore hope that he will strongly back the extra investment that we have put into the health service in his area over the past 10 years.

Local Government Finance

12.42 pm

The Minister for Local Government (John Healey): With permission, Madam Deputy Speaker, I wish to make a statement about local government finance in England. For the first time ever, this is a three-year settlement. I am today able to confirm for each authority for each of the next three years not only allocations of formula grant but allocations of the new working neighbourhoods fund and 60 other specific grants, from eight Government Departments.

In total, Government revenue funding for local authority services will be, in the years 2008-09, 2009-10 and 2010-11, £70.4 billion, £73.5 billion and £76.7 billion. These are increases of 4 per cent., 4.4 per cent. and 4.3 per cent. respectively. This continues the sustained real-terms increases for local government under this Government. By the end of this comprehensive spending review period, local government will have received a real-terms grant increase of 45 per cent. since 1997.

Formula grant, which includes revenue support grant, redistributed business rates and the police grant, will total in each year £27.5 billion, £28.2 billion and £29 billion, representing increases of 3.6 per cent., 2.8 per cent. and 2.6 per cent. respectively. Every authority will receive a formula grant increase in every year. In addition, we expect of local government the same 3 per cent. efficiency savings each year as the rest of the public sector. Delivering that would mean that councils would have an extra £4.9 billion over the spending review period, which they could use to improve services or to cut council tax pressures.

We have worked closely with local government and its associations over the past two years to assess cost pressures and the scope for efficiencies. This settlement takes account in particular of the pressures on adult social care and on waste. Local government told us that it wanted certainty, flexibility, equity and stability in funding, all of which are delivered by this settlement. On certainty, we are providing a three-year settlement, not just for the core grant but for 61 other central Government grants and for regeneration funds. On flexibility, we have pooled 38 of the 61 specific grants into the new area-based grant, worth £4.7 billion by 2010, three quarters of which was previously ring-fenced but will be no longer. We are also transferring £900 million a year from other specific grants into formula grant. Local government also wanted less bureaucracy from central Government, so we have radically streamlined the new performance framework for local government, with a single set of under 200 national indicators, down from about 1,200.

On equity, we consulted local government over the summer on making the method of grant distribution fairer. My conclusions are set out in the further consultation paper that we are publishing today, but let me highlight these points. Following a major review, we were able to introduce a new and improved formula in each of the areas of social care in 2006. For the past two years, we have been damping two of those formulae. I now propose to end the additional damping and fully to implement the social services formulae. The overall system of grant floors, which we will retain, will ensure that that unwinds quite gradually over this and the next spending review periods.

I also propose to make the system fairer to authorities with a relatively low council tax base. Those authorities will have much greater difficulty than others in coping with spending pressures. I therefore propose to increase by 2 per cent. the proportion of the blocks for relative needs and relative resource within the available total.

We have made significant progress with regeneration in many of the most disadvantaged areas of the country. The new £1.5 billion working neighbourhoods fund replaces the neighbourhood renewal fund and builds in the Department for Work and Pensions deprived areas fund to create a single fund at local level. As we set out in the sub-national review, we are concentrating that funding on tackling worklessness in the most deprived areas. Sixty-six local authorities will receive funding from the working neighbourhoods fund for three years, and the 21 authorities that currently receive neighbourhood renewal funding but do not qualify for the new fund will get two years of transitional funding.

On stability, we consulted on aspects of the area cost adjustment. I propose some changes, to reflect more recent evidence, in the weights given to labour and business rates costs. However, I have decided not to implement any changes in the geography of the area cost adjustment. The consultation proposals covered only a few areas, and the financial turbulence involved did not seem justified by the relatively minor refinements that would result. I therefore intend to take advantage of the next three years to conduct a full review of the area cost adjustment, which will begin after the House has debated and approved this settlement.

I also propose no change to the expenditure base of the formula for fire and rescue. I have concluded that the last few years have been an untypical period for the service, making spending patterns an uncertain base for a formula. Again, I propose to conduct a thorough review of the formula. That will begin in the new year. Grant floors damping is the main way in which we ensure stability of funding for councils over time. Though some argued for the opposite, we will continue with the system of floors, which ensure that every authority receives a formula grant increase in every year of the comprehensive spending review period. In setting floor levels, I have struck a balance between providing an increase for all authorities and allowing formula changes to come through. For each of the three years the floors will be: for fire and rescue authorities and shire district councils, 1 per cent., 0.5 per cent. and 0.5 per cent.; for authorities with responsibilities for education and social services, 2 per cent., 1.75 per cent. and 1.5 per cent.; and for police authorities, 2.5 per cent. in each year.

To deliver this three-year settlement, we need to use the best and latest data available on a consistent basis across all authorities and we need to deploy it at the time we calculate the three-years figures. For population, those are the population projections produced by the Office for National Statistics in September, which take advantage of improvements in the way in which migrants are counted. The majority of the councils in our consultation wanted us to use those figures.

[John Healey]

In recent years, however, the UK has seen significant demographic changes, not least in the pattern of people's mobility. Those changes clearly create new measurement challenges. We are determined to build on recent improvements, while recognising that there is no single, simple or swift solution to those challenges. I can confirm today that the national statistician will now bring together central and local government to work on ways to improve population survey data and to make greater use of administrative data.

Ten successive years of above-inflation grant increases from this Government—continued throughout this spending review period—plus tough capping action have helped bring down council tax increases. Keeping council tax under control remains a high priority for the Government. We expect the average council tax increase in England to be substantially below 5 per cent. next year. Let me be clear: we will not hesitate to use our capping powers as necessary to protect council tax payers from excessive increases.

This is a tight settlement, but it is fair and affordable. It delivers the certainty, the flexibility, the equity and the stability that local government wanted. We know councils are capable of innovating, managing change and improving efficiency without having a disproportionate impact on their council tax payers. The challenge and onus now is on councils to demonstrate the leadership to deliver just that. I commend the statement to the House.

Alistair Burt (North-East Bedfordshire) (Con): I begin by welcoming the Minister's courtesy in sending me a copy of his statement. The technicalities of such a statement do not come alive in an instant, so it is appreciated when we have a little time to prepare. There was a bit of a glitch in getting the statement to us, but we will not make too much of that.

The Minister, who is a fair man, will know that his statement today will have been heard with more than disappointment in town halls up and down the land—not to mention the massive silence behind him—and not just by councillors themselves, but by the communities they represent and those who will be affected by what he has said and what he has not said today. Will he confirm that he has just announced another round of inflation-busting council tax increases for the long-suffering taxpayer? Over the last decade, we have predicted rises in council tax, which successive Ministers have dismissed at the Dispatch Box. Each year, the accuracy of our predictions has comfortably outscored the Government's.

Does the Minister agree with the leader of the cross-party Local Government Association who said this morning that he was estimating inflation-jumping 4 to 4.5 per cent. increases? Will he confirm that the three-year settlement means an extra £208 on the bill of a band D home—a whopping increase of 122 per cent. under Labour? That will push council tax at band D through the £1,500 barrier by the next general election. I do not think that the Minister, who at the conclusion of his statement seemed rather proud of 10 years of Labour, has that much to be proud about. Is he aware of a survey released by a leading building society today showing that under this Government council tax has become the most unpopular tax in Britain—a pretty competitive league to top?

Conservative Members welcome the move to three-year funding, which this statement represents. Making this change must be helpful in planning budgets, but it also makes crystal clear the precipice that the Government are pushing local authorities over. The good news about councils having some certainty in their budgets is balanced by the bad news that they now know what it is they have to be certain about: a front-loaded increase of 1.5 per cent. this year, with rises of only 0.7 per cent. and 0.6 per cent. for the following two years at best, or just 1 per cent., 0.1 per cent. and a cut of 0.1 per cent. if private finance initiative commitments are removed. This statement is a cunningly worded invitation for reduced services from councils and higher bills for taxpayers. Does the Minister acknowledge that, tough as the first year is, the real screw and ratchet is applied in years two and three?

For young and old, and especially for those in receipt of elderly care and those paying council tax, today's statement marks a further chapter in the long, slow but certain betrayal of people's hopes and expectations from this Government. They will listen not just with disappointment, but with real anger as the small print unfolds in classic Labour fashion over the next few days and weeks.

The headline 1 per cent. increase in real terms over the next three years will be only the first meaningless figure to fall. Will the Minister confirm that that figure bears no relation to the cost pressures being suffered in, for example, adult social services, where expected real-terms expenditure growth appears to be double the funding increase provided? The "gradual unwinding" of controls on social services spending that the Minister speaks of in his statement does not address the urgency of the problem and will leave floor authorities in London and the south-east much worse off. Is the Minister aware that one head of social services has told the Local Government Association that these pressures require a 4.6 per cent. real-terms increase, and, tellingly, that the service provided by that council is now

"on the edge of human rights and dignity levels"?

Other services such as waste and highways are running similarly ahead of the measure of inflation used. Will the Minister introduce a measure of inflation relevant to the services provided by local authorities and use that measure instead? Will he confirm that the Government are cutting the amount of funding given to the local authorities business growth incentive scheme—a cut of £850 million over the next three years? Is that not just a back-door way of forcing councils to raise the money through new supplementary business rates, increasing the burden of taxation on firms? Have the Government any awareness of what is happening to shops and businesses out there on the high street and how these rises will damage them?

We acknowledge some limited progress towards allowing more apparent local control over budgets through the release from ring-fencing and other controls of some £5 billion by 2010-11, but does the Minister agree that once again there is sleight of hand as the money is being shifted into an opaque pot called "area based grant", with a say not only for a council, but for other public bodies and Government's own regional offices? Can he confirm that on table 2 of specifics and general grants

2010-11, the area-based grant actually drops by 2.4 per cent.? Given that this grant has been trumpeted as an important new initiative, why is there to be a significant reduction?

The Lyons review, about which we have heard much in previous statements, but nothing at all today, said that

"an independent and authoritative voice is needed to provide better information on funding to inform the public and parliament about the impact of new burdens on local government and the evidence of future pressures".

Michael Lyons said that because he felt an unanswered question was undermining public confidence in local government. Who is really responsible for the rises in council tax: is it the council or is it the Government? Each blames the other, so with the public losing out in the tit-for-tat discussion, Lyons proposed that we should tackle this with a simple, transparent mechanism. Why is there nothing in the statement about that and why is no initiative being taken?

We have come to learn that there are frequently reasons why the Government choose not to reveal information to the public—usually because people will not like what they are not being told. Is it not the case that the Government have chosen to dismiss this recommendation out of hand, because they know the answer to the question about who is responsible for nearly doubling council tax during their time in office? It is a case of "Best when we are putting up taxes; best when we are blaming others; best when we are Labour"—*[Interruption.]* I will get better back-up next year.

What representations has the Minister received about the new national concessionary fares scheme—merely the latest example of a national idea underfunded by this Government? Does he realise that the scheme makes financial sense for councils only if no passengers apply for it?

Why is the Minister only now bringing together local and national Government to discuss population movement and migration? This phenomenon has been leading to unacceptable strain on key public services such as schools and social services. Why has nothing been done, apart from the setting up of a meeting?

The Secretary of State—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman's time is up.

John Healey: It is inflation-busting grant rises that I have announced today, not inflation-busting council tax rises. I am proud of the 10 years of a Labour Government. I am proud of the commitment that we have given to local government. I am proud of the fact that, to date, local government has received a 39 per cent. real-terms increase in funding from central Government, and I am proud of the fact that that is in stark contrast to the 7 per cent. real-terms cut that local government had to endure for the four years of the previous Government, before 1997.

This is a tight settlement. It is a tight settlement for local government, and it is a tight settlement for central Government. But there are areas of central Government, including work and pensions, revenue and customs and enterprise, which have experienced year-on-year cuts, not the year-on-year rises that I have been able to announce for local government today.

The hon. Gentleman asked me a number of specific questions. Let me try to answer them. He asked whether I had heard from the heads of social services departments, and quoted one in particular. Let me quote the response of their representative body to the comprehensive spending review. The Association of Directors of Social Services said:

"Today's CSR announcement is clear evidence that the Department of Health has truly recognised the importance of social care...today's figures and settlement show that the vital contribution our social care services make to the overall wellbeing of so many hundreds and thousands of older people is beginning to win the recognition it deserves".

The hon. Gentleman asked about the local authority business growth incentive. I introduced it from the Treasury, and we could not have been clearer from the start that it was a three-year scheme that we would review and seek to build into the mainstream funding system—which we will do over the spending review period, and for which purpose £150 million is allocated over that period.

The area-based grant is a larger fund than the current area fund. As a result of my proposals, more funding streams will go through it. Each will be a single payment made each month to local authorities, and all will be un-ring-fenced.

I was disappointed to hear the hon. Gentleman's grudging comments on concessionary travel. I would have expected him to welcome the fact that 11 million pensioners and disabled people will benefit from free travel. I was also disappointed that he did not recognise that we are providing the funding—over £200 million in each of the coming years—and doing what local government wanted by paying it as a specific grant rather than through the formula.

The settlement builds on our strong track record of commitment to and funding for local government over the past 10 years, which is extended further through this spending review period, but it is not just about cash. Local government asked for certainty, and we have delivered it. Local government asked for greater stability, and we have delivered it. Local government asked for greater flexibility, and we are delivering that too.

Finally, let me return to the point with which the hon. Gentleman began: his council tax rise predictions. There is a certain regular choreography about the annual settlements. We have heard before from the Opposition their predictions of settlements and their impact on council tax. In 2004 the hon. Gentleman's boss, the hon. Member for Brentwood and Ongar (Mr. Pickles), predicted a 6.7 per cent. increase; the increase was 4.2 per cent. The following year he predicted a 7.1 per cent. increase; the increase was 4.5 per cent. I could not find any predictions for 2006, and I thought that the hon. Gentleman might have learnt his lesson—but the hon. Member for North-East Bedfordshire (Alistair Burt) obviously has not.

Increased funding and capping action have delivered three of the four lowest council tax rises in the past three years since council tax was introduced in 1993. That combination—real increases in funding for local government, and a determination to take tough capping action as necessary—will continue over the next three years.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. A great many hon. Members are hoping to catch my eye. There is business to follow this, so I am minded to ask for a single brief question and a short answer from each of them. More hon. Members may then be successful.

Mr. Frank Field (Birkenhead) (Lab): Do the Government accept that their failure to implement the social services formula fully has resulted in Wirral metropolitan borough council losing £8 million a year? Can the Minister guarantee that despite the other changes that he has announced, Wirral will gain that £8 million in each of the next three years?

John Healey: My right hon. Friend follows these matters in detail, and I am disappointed that he has not recognised and welcomed my announcement that we will fully implement the formula and remove the double damping. He may be interested to know that the formula grant increases for his local authority will be 5.1 per cent., 3.7 per cent. and 3.4 per cent. over the next three years, and that next year alone Wirral will receive £24.5 million extra in central Government grant.

Tom Brake (Carshalton and Wallington) (LD): I start by thanking the Minister for providing a copy of his statement in advance—but I am afraid that that is where the thank yous finish. There were no surprises in the statement, just bad news. Social care, teachers' salaries and equal pay remain underfunded, while capping and the dreaded council tax remain in place. There was an opportunity to reform the council tax completely and replace it with a tax based on people's ability to pay, but that opportunity was squandered, and the most unfair tax of all continues to exist. Council tax, which in the past 11 years has increased by 86 per cent. in the Minister's constituency and by nearly 60 per cent. in that of the Secretary of State, will continue to hit the most vulnerable hardest, and to rise at a rate above the rate of inflation.

I welcome the fact that there has been a start at reversing the trend towards greater ring-fencing, which has accelerated under the Labour Government. I also welcome the cut in performance indicators, and the stability provided by the three-year settlement. That, however, does not outweigh the bad things in the statement.

Let me ask the Minister three specific questions. The Government have at long last recognised that migration is an issue. Can the Minister say when he expects the national statistician to produce proposals that will enable migration figures to be taken into account more rapidly in the allocation of grant? Will he confirm what I think he said—that he will ensure that any funding formula changes take account of the fact that the metropolitan fire and rescue services deal with the most vulnerable and deprived inner-city areas, with all the associated costs? Finally, what real average increase in council tax does he expect in the next financial year?

I regret the fact that the Minister is still observing the pretence that local government Ministers come to the House dressed in Santa costumes to deliver bountiful settlements that will pay for the turkey and the trimmings. They do not, and he did not today. This settlement might just about pay for a battery chicken, but it will not even cover the cost of the gas needed to cook it.

John Healey: Where does one begin, Madam Deputy Speaker? The vulnerable in our system are, of course, protected by council tax benefit, whereas the same is not true of the hon. Gentleman's party's proposals for a local income tax. The Liberal Democrats will not tell us how they will calculate the local income tax and they will not tell us who it will hit, but the risk is that there will be big increases for the working population, who will not be protected as they are at present. Sir Michael Lyons recognised those flaws, which is why he did not recommend the implementation of a local income tax. I am quite sure that when we see the detail of the Liberal Democrats' proposals they will not add up, because the Liberal Democrats' sums never do.

Let me turn to the three questions the hon. Gentleman asked. On migration, I will send him a copy of a relevant report, as he might not have seen it. The national statistician set up and led a taskforce looking into how we can improve the analysis of migration figures, which reported in 2006. She will now lead action, involving local and central Government, on ways to implement those improvements, through, for instance, improving survey data and the greater use of administrative data. On the fire and rescue service, the hon. Gentleman is concerned about inner-urban areas and I hoped he would recognise that my decision not to rebase the formula will be of assistance in that regard, but he did not. On council tax levels, the hon. Gentleman will understand that, quite properly, they are set by local councils: it is for local councils to determine those levels. We expect them to be substantially below 5 per cent., and we will take tough capping action in the new year if that is necessary.

Mr. Neil Turner (Wigan) (Lab): I congratulate my hon. Friend on scrapping the double damping, which was iniquitous, immoral and had no intellectual basis; that is of great benefit to many people in our constituencies. Will he confirm that as Conservative-controlled councils such as Havering and Redbridge in London will benefit from that, this is nothing to do with a north-south divide, but is actually about making sure that the money follows the need, so that councils such as mine will be able to tackle the inequalities that still exist in our country?

John Healey: I welcome my hon. Friend's comments. He is a former local government finance chief, he chairs the group of SIGOMA—Special Interest Group of Municipal Authorities within the Local Government Association—MPs, and I know how closely he follows these matters. He is absolutely right to say that there is not a north-south divide. It is clear from the figures for this settlement and the total grant that there are bigger variations within regions than there are between regions. He might be interested to know that the increases in formula grant for Wigan are set to be 5.7 per cent., 3.7 per cent. and 3.1 per cent. If Wigan, like other local councils, achieves the efficiency savings that we expect, next year alone it will have an extra £7 million with which either to improve services or to keep council tax pressures under control; I have already stressed that point.

Sir George Young (North-West Hampshire) (Con): Does the Minister accept that the quotation from the Association of Directors of Social Services that he read out simply does not represent the position in counties such as Hampshire, which are spending much more than their formula grant on adult services? Does he also recognise that because of factors such as demography and the growing cost of care packages, intervention by social services authorities will increasingly be restricted to emergencies and life-threatening situations?

John Healey: We have worked closely with local government over two years to analyse the pressures, and we have identified with them in particular the pressures on adult social care. They are recognised in the level of rises for local government. The right hon. Gentleman will note that authorities with social services and social care responsibilities have relatively higher rises than other types of authority. If he looks at the figures and the small print, he will also note that there is a significant increase in Department of Health funding specifically for adult social care. That will rise on average by up to 10 per cent. across the three-year period. That means that over the spending review period there will be an extra £300 million for adult social care and for addressing some of the problems that authorities such as the right hon. Gentleman's local one face in dealing with the pressures that undoubtedly exist.

Dr. Brian Iddon (Bolton, South-East) (Lab): Has my hon. Friend looked at the impact on our decent homes policy of the withdrawal of the rental constraint allowance in the housing subsidy draft determination? This morning, Bolton has calculated that its arm's length management organisation will lose approximately £7 million in the coming years. It was on target to meet its decent homes standard by 2010, but I am afraid that if these calculations are accurate, this announcement will put the decent homes standard in jeopardy.

John Healey: The Government are giving a very high priority to housing—both to building new houses and to improving those that we currently have. I have not looked in detail at the specific formula for Bolton, but now I shall, in view of my hon. Friend's intervention. I hope he will recognise and welcome the fact that Bolton's formula grant stands to rise by 5.3 per cent. next year compared with this year's figures.

Mr. David Curry (Skipton and Ripon) (Con): The Minister spoke of the traditional choreography of these occasions. Last year, the then Minister said that he expected council tax to rise by substantially less than 5 per cent. That meant in practice anything up to 5 per cent. Does the word "substantially" this year mean anything different from what it meant last year? Also, does the Minister realise that there is a problem with the universal bus pass, because the formula by which the fund is being distributed means that some local authorities, such as Harrogate, stand to be very substantially underfunded for that programme, and in order to meet their bus pass obligations they will have to look for resources from other work that might be more important? Will he discuss with the Secretary of State for Transport how that can be avoided for the local authorities on which it might bear particularly heavily?

John Healey: The right hon. Gentleman is right, in that the council tax rise was 4.2 per cent. last year, 4.5 per cent. the year before, and 4.1 per cent. the year before that. The level of council tax rises will be determined by the decisions that local councils throughout the country take. As for the pressures that he feels exist in his area, let me say again that this is not just a question of the cash that central Government give; it is also a question of the decisions taken, and leadership given, by local councils in managing those pressures over the next three years. If the right hon. Gentleman's own local county council of North Yorkshire were to achieve the 3 per cent. efficiency savings that we expect, that would give it almost £9 million extra to spend on improving services—or it could, indeed, choose to cut council tax by £39.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I welcome many aspects of the overall settlement. Although it is tighter than the settlements in most recent years, it is clearly better than anything local government used to get during the 18 years when the Conservatives were in power. May I ask a specific question about my own city of Sheffield? I understand that its grant increase will be only about half that of neighbouring authorities in South Yorkshire. Sheffield has areas that are just as deprived as those in neighbouring authorities, including places such as Darnall in my constituency. The problem is that we also have areas such as Sheffield, Hallam, whose affluence raises the overall average for Sheffield, so people in the deprived parts of the city do not get the resources needed to meet their specific problems.

John Healey: One of the things that I have learned during my first few months in this job is that every council regards itself as uniquely disadvantaged by central Government funding decisions, and every council has a special case unique to its circumstances. I ask my hon. Friend not to compare the position of Sheffield with that of Rotherham, Doncaster or Barnsley, which in many ways look enviously at Sheffield's success in the past 10 years—I know that, because one of those is an area that I represent. I ask him instead to look at the extent of the Sheffield increase—at the fact that there is an increase in all grants to Sheffield next year of more than £30 million—and in particular I hope he will work with the Government to make sure that Sheffield city council and others make best use of the new working neighbourhoods fund, which will help to tackle some of the problems that he is concerned about in Darnall.

Mr. John Gummer (Suffolk, Coastal) (Con): Because of Government decisions, Suffolk county council has worked hard and spent a good deal of money on the pathfinder scheme, and Ipswich borough council has spent a good deal of money preparing for unitary authorities. The Government have now changed their mind on that. What resources are they going to pay to those authorities to protect the ordinary council tax payer, who will have to foot the bill for incompetence in the Minister's Department?

John Healey: I simply do not recognise that description of the announcement I made yesterday about local government restructuring; it is so wide of the mark that it does not do the right hon. Gentleman, with his long experience in local government, sufficient credit. The

[John Healey]

resources that any such councils put into their work with the boundary committee over the next year or so are a matter for those local councils. The right hon. Gentleman is concerned about Suffolk county council, and it is true that his county has done good work in improving the efficiency of its services. It is looking at a formula grant increase over the spending review period of 7.3 per cent., 4.8 per cent. and 4.4 per cent. In total, the grants from central Government mean that Suffolk county council will receive more than £40 million more next year than it will have received this year.

Mr. Kevan Jones (North Durham) (Lab): I welcome my hon. Friend's announcement of a three-year settlement. On leadership, will he congratulate Durham county council on its successful unitary bid, which will mean that council tax in six of the seven former district authorities in Durham will fall in 2009? The bid continues to be opposed by Durham city council, which is led by the Liberal Democrats.

John Healey: My hon. Friend has been a consistently strong advocate of local government reorganisation in his county, and I pay tribute to his work. I also pay tribute to Durham county council leader Albert Nugent, whom I have met on several occasions. This process is creating new authorities, and it gives the possibility of new leadership, new involvement and empowerment of local people, and a significant improvement in the quality of services in his area in the future.

Andrew George (St. Ives) (LD): I genuinely seek clarification. The Minister announced, with a bit of a flourish, that he proposed to "end the additional damping and fully to implement the social services formulae". He also said that "this unwinds quite gradually over this and the next spending review periods." That, of course, equals six years, so the damping will be withdrawn not immediately but in a gradual fashion. The damping mechanism affects Cornish authorities. Cornwall county council has a formula grant of £149 million, but how much will be withdrawn from that council as a result of the damping mechanism? Last year, £10 million was withdrawn.

John Healey: What I announced is what we will do—remove the double damping on the formula in two of the three areas of social services. Floors damping is a general feature of the system—incidentally, it was this Government who introduced it, in 2000, to protect councils year-on-year against the sort of volatility and unpredictability that they used to suffer. That will be removed, but it will unwind over the course of this spending review and the next one. If the hon. Gentleman is concerned about Cornwall, he should note that it will receive an 8.5 per cent. formula grant increase next year. I hope that he puts to its county council that were it to make the efficiency savings that we expect, nearly a further £9.5 million would be available to it, so if it chose to reduce council tax bills, rather than improve services, it could do so by £50.

Lynne Jones (Birmingham, Selly Oak) (Lab): My hon. Friend will be aware that because of double damping Birmingham has experienced a shortfall of about £30 million in its grant allocation compared with its assessed need for social services spending. Does his announcement of the withdrawal of double damping mean that that gap will be eliminated, or at least substantially reduced? If so, that is good news, but if not, does he accept that there will continue to be considerable pressure on social care budgets?

John Healey: I have explained, and we have recognised in the settlement, the pressures on social care budgets. I have also explained how in the settlement to local authorities, and through specific grants from the Department of Health, we are trying to support councils in dealing with those. Double damping will unwind, which means that over time any gap will be reduced and then closed.

Mr. Michael Fallon (Sevenoaks) (Con): Is the Minister aware that 10 years ago Sevenoaks district council received roughly exactly the same per head as Sedgefield borough council in the north, whereas this year Sedgefield borough council is getting more than twice as much as Sevenoaks district council? [HON. MEMBERS: "Quite right!"] Why should council tax payers in the south continue to subsidise the friends in the north?

John Healey: The hon. Gentleman is very astute and very well informed about financial matters, so he knows that the formula is applied consistently across the whole of England. When he compares Sedgefield and Sevenoaks, he will surely recognise that Sevenoaks district council's ability to raise funds from its council tax base is entirely different from that of Sedgefield. He will also recognise that the needs element and the resource element, in which I have announced increases today, are necessary, particularly to ensure proper fairness in the system.

Mr. Mark Todd (South Derbyshire) (Lab): May I ask the Minister about his decisions on floors? I suspect that I shall welcome his decision on floors for district councils, because I would expect it to benefit South Derbyshire district council, but setting a floor of 2.5 per cent. on police authorities indicates extraordinarily slow progress in implementing the formula that would correct the underfunding of Derbyshire police authority in the future.

John Healey: My hon. Friend is right, to the extent that this is always a decision about the balance between wanting to see the changes that should flow from formula calculations come through into the system and the reward of grants, and ensuring year-on-year stability and a degree of predictability for local government. The decision on the floors for the police grant follows exactly the same approach as we took in the current two-year spending settlement. The floor will be 2.5 per cent. in each of the next three years.

Mr. Paul Keetch (Hereford) (LD): The Minister will accept that any settlement is good for the local people of a community only if their council is well run and well led. He knows of the concerns in Herefordshire about its council's leadership, particularly in relation to information and communications technology projects. He personally endorsed to me the appointment of Mr. Crookall to carry out an independent review. Has he seen the Crookall report? If not, will he get a copy of it? Will he publish it in full, unlike Herefordshire council, which reportedly has published only part of it?

John Healey: I will ensure that I try to get sight of the Crookall report, as the hon. Gentleman urges me to do. He is right to say that the quality of the management and the ability of councils to lead their organisation, and thus to do their best by local council tax payers, is important; it is a central feature for us. I see no reason why many more councils cannot match the best of the efficiencies that have been gained—Northumberland county council has managed 11.5 per cent. over the current period, Sheffield city council has managed 12 per cent., Hackney borough council has achieved 14.5 per cent., and five district councils have achieved more than 20 per cent. Those councils are setting the standards for others over the next three years.

Mr. George Mudie (Leeds, East) (Lab): The seven metropolitan district fire authorities have genuine concerns about the settlement. The Minister has referred to them, so will he give any assurances that the moves that he has made meet the concerns of the fire authorities? If they think that that is not the case, will he agree to meet them as soon as possible?

John Healey: Specifically, the decisions that I have announced this afternoon for fire and rescue authorities do meet one of the principal points that those authorities were making to me—that basing the formula on the most recent period was uncertain because it was untypical—so I trust that they will welcome my decision. In general terms, my colleagues in the Department for Communities and Local Government and I are ready to meet any local authority leader or any Member of this House who wishes to make representations between today's announcement and the close of the consultation period, which will be on 8 January.

Justine Greening (Putney) (Con): May I ask the Minister to clarify the decision process on the new working neighbourhoods fund? The previous fund, the deprived areas fund, was set nationally to individual wards and was then largely administered by Jobcentre Plus district managers. That meant that the situation in wards such as Roehampton in my constituency was similar to the one mentioned by the hon. Member for Sheffield, Attercliffe (Mr. Betts), who is no longer in his place. It was difficult to target the fund at areas containing diverse populations where deep areas of deprivation are located cheek by jowl with the most affluent areas in cities, so Roehampton did not qualify for it.

Will the new working neighbourhoods fund be allocated at the local authority level and then distributed by the local authority, or will it still be done at ward level and, therefore, potentially still miss the key areas, such as those in my constituency, that did not manage to benefit from the previous fund?

John Healey: The working neighbourhoods fund will be distributed through the new area-based grant. It will be one of those grants that is totally un-ring-fenced. The hon. Lady may wish to know that her authority, Hammersmith and Fulham—[HON. MEMBERS: "Wandsworth."] In that case, the point that I was going to make about Hammersmith and Fulham is not relevant.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Following the question from the hon. Member for Sevenoaks (Mr. Fallon), does my right hon. Friend agree that this Government inherited in 1997 a perverse formula funding system, which favoured certain categories of local authority over others? Can he reassure the House that this announcement will at long last level the playing field for all categories of local authority, particularly those in SIGOMA, of which Barnsley and Doncaster are but two?

John Healey: My hon. Friend is right. He is a former Barnsley council leader and he knows just how unfair and rigged the funding system was under the previous Government. Achieving more fairness in the formula system was part of the consultation we conducted over the summer. Some of the changes that I have announced this afternoon will help to make the system even fairer. I hope that my hon. Friend and the current council leader, Steve Houghton, will welcome the fact that in Barnsley the increase in formula grant—the core grant from central Government—will be, over the next three years, 6 per cent., 3.7 per cent. and 3.1 per cent.

Bob Spink (Castle Point) (Con): Will the specific grant for the extension of the excellent concessionary travel scheme fully compensate councils such as Essex for their costs—yes or no?

John Healey: The extra money that we are putting in through a special grant, as local government wanted, in each of the three years will compensate local authorities for the extra costs in making a local free travel scheme a national one from April this year.

Richard Burden (Birmingham, Northfield) (Lab): I add my welcome for the year-on-year increases which are, as has been pointed out, in stark contrast to the situation until a decade ago. I also welcome the abolition of double damping. Can my hon. Friend clarify further the phasing out of double damping, which—if I understand him correctly—will take place over six years, and will he say a little more about the mechanisms that will be in place over the next three years to assist places such as Birmingham, which have been facing pressures of some £28 million? Will he also address the point about the working neighbourhoods fund being applied to areas below the level of wards, because funding at ward level is not always appropriate for targeting the pockets of deprivation found in many areas?

John Healey: The new working neighbourhoods fund is based on criteria that start from the neighbourhood level, as my hon. Friend wishes, not the ward level. He asks also about the double damping. Damping on the formula is removed with immediate effect. It is the full changes that flow from the implementation of the formula that will feed through over the next few years, and it is the general system of floors that will ensure that that happens, but over a manageable period. Finally, he asks how we will help Birmingham in particular, and I hope that he will welcome the fact that next year the total grant increases from central Government to Birmingham council will be more than £100 million.

Mr. Mark Harper (Forest of Dean) (Con): In his alter-ego as flood recovery Minister, the Minister will know that one of the big financial pressures on Gloucestershire county council is the huge damage caused by the summer's flooding to our highways network. The bill is estimated at £25 million. We have had £10 million from the Government, for which the county is grateful, but does he have any news on the remaining £15 million?

John Healey: The hon. Gentleman is right: we have given an interim payment of £10 million to Gloucestershire in recognition of the damage caused to the highway infrastructure and in response to the request that it made to us. We are working with the county at present on the final costs of the damage, but the principle is well established that although central Government will step in to support and help local government—as we are doing in a big way—it is right to expect local councils to cover a certain amount of the costs.

Paul Holmes (Chesterfield) (LD): The Minister said that this was a fair settlement, but how can he apply the word "fair" to the treatment of Derbyshire police authority, which has been underfunded for many years? Two years ago, the Government acknowledged that, but have refused to implement the formula that would remedy it. The statement today means that the authority will be £3 million short each year for the next three years, on top of the £4.5 million efficiency savings that it has to make. It already has 230 police officers fewer than the family of authorities with which it is compared. Now it seems that the authority will have to make cuts that will make that situation even worse. How is that fair?

John Healey: Fair for Derbyshire is an increase of more than £50 million in the total grant coming from central Government in the next year.

Paul Rowen (Rochdale) (LD): Does the Minister not accept that his announcement today also leaves Greater Manchester police—the second largest force in the country—considerably short of funding and having to make yet more cuts in the number of front-line officers? Does he think that that is acceptable?

John Healey: Having announced the settlement, I have made it clear that decisions on spending—on how to manage the pressures in the next three years and how greater efficiencies can be gained through council activities—are properly a matter for local authorities, not for central Government. Greater Manchester police will have to face those pressures and those challenges, just like every other police authority and local authority.

Peter Grant Peterkin CB OBE

1.37 pm

The Deputy Leader of the House of Commons (Helen Goodman): I beg to move,

That this House expresses its appreciation to Peter Grant Peterkin CB OBE for his distinguished public service career, including three years as Serjeant at Arms, and extends to him its best wishes for his retirement.

I move this motion on behalf of the whole House, not just the Government or those on this side.

I understand that Peter Grant Peterkin is the 38th holder of the post since its establishment in the early 15th century. His appointment here followed more than 30 years of distinguished and senior military service, with his regiment—the Queen's Own Highlanders—and at the Royal College of Defence Studies, including work with the United Nations and the Organisation for Security and Co-operation in Europe missions in Iraq and Kuwait, and in Kosovo.

I know that Mr. Grant Peterkin's work in the House since his appointment in 2004 has been valued and appreciated by Members. During his period of office, he has overseen a range of important repair and refurbishment programmes. These include the major repairs of Westminster Hall, and the refurbishment of the Press Gallery areas recently reopened by the Speaker. And Mr. Grant Peterkin has helped in the move towards a long-term estate strategy embracing both Houses and facing up to the enormous challenges of preserving and enhancing this unique building.

Mr. Grant Peterkin has helped also to see through the valuable developments made to the security of the Chamber and the building. Those have been achieved while improving the experience of visitors who come to Parliament by encouraging a welcoming style from police and security while at the same time maintaining protection. Under his watch, the visitor assistants have been introduced; they have been well received in their work meeting the public and helping with educational visits.

I know also that Peter Grant Peterkin's leadership and personal commitment, supported by his wife Joanna, to his colleagues and staff in the Serjeant at Arms Department have been well regarded and appreciated. This is an opportunity to thank also all those in the Serjeant at Arms Department for the work that they do on our behalf in the Chamber, in the provision of services, in relation to security, and in respect of the buildings.

As the House will know, following the review of the administration of the House by Sir Kevin Tebbit, which reported earlier this year, there are to be significant changes to the organisation of departments in the House. The Serjeant at Arms Department will undergo a major transformation, continuing the constant process of evolution in the Serjeant's office since the 15th century and in the House's administrative services generally. The new Serjeant, soon to be appointed, will be coming into a post that is very different from that of her or his predecessor, heading a new directorate in the new Department of Chamber and Committee Services. Other staff from the existing Serjeant at Arms Department will form part of the new Department of Facilities. I am sure that all the staff will continue to provide the high level of service that we

have come to expect and appreciate from Mr. Grant Peterkin's time in post. I hope that the whole House will join me in thanking him and wishing him and his wife all the best for the future.

1.40 pm

Mrs. Theresa May (Maidenhead) (Con): It is with great pleasure that I add my thanks to Major-General Peter Grant Peterkin for his services to Parliament since 2004. The role of Serjeant at Arms is not widely known outside this place, but it is an important job that ensures the good functioning of our Parliament. Peter Grant Peterkin has served Parliament in the way he served his country beforehand. The Deputy Leader of the House referred to a number of Peter Grant Peterkin's roles during his distinguished career in the Army, which included being commanding officer of the 5th Division and acting in a senior role in the Organisation for Security and Co-operation in Europe mission to Kosovo.

Those who see Parliament only briefly—perhaps they watch the Speaker's procession or see ceremonial occasions such as the state opening—may go away with the view that the role of the Serjeant at Arms is largely ceremonial, but that is very far from the truth. The Serjeant at Arms has in his responsibility many significant sections of the support services, without which the House simply could not function. Over the years, the role has indeed changed. In recent years, there has been a much greater necessity for the Serjeant at Arms to look at issues of security in the House. We have seen the throwing of purple powder at the Prime Minister and the invasion of the Chamber. That has led to increased responsibilities for the Serjeant at Arms in ensuring the security of those who participate in debates in the Chamber and who visit our House.

In recent years, and during Peter Grant Peterkin's time as Serjeant at Arms, we have also seen an enormous change in our attitude to visitors to this place, as the Deputy Leader of the House said. The way in which visitors are welcomed, and the experience that they are given and will be given when changes in the building are completed—*[Interruption.]* The Minister for Local Government said from a sedentary position, "Especially schools." He is right. Parliament can be proud of the fact that it has been extending its outreach and ensuring that schools and others have a good experience when they visit Parliament. That is an important part of the role of the Serjeant at Arms. Peter Grant Peterkin can be very proud of the changes that have taken place under his watch.

Peter Grant Peterkin has, as I said earlier, given distinguished service to his country. Indeed, his life has been one given to public service. We applaud and honour him for that. On behalf of everybody on my side of the House, and I am sure across the whole House, I wish him a very happy retirement and wish him and his wife all the best for the future.

1.44 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I just want to say a few words as Chairman of the Administration Committee, because that is the capacity in which I have got to know Peter Grant Peterkin best. I endorse the comments that have been made by both Front Benchers who have spoken so far. They accurately reflect the contribution that he has made. Over the time that I have held this post and have got to know him—just over two and a half years—he has provided invaluable support and help. I came to the post knowing not a lot about the way this place is run—like, I am afraid, a lot of Back Benchers—but I learned a great deal from him, particularly about accommodation issues.

We held a major inquiry last year into accommodation in the building and we have come up with a report that is quite important for the future of the House. It includes the recommendation that there should be a 25-year strategy, which has been accepted by the House of Commons Commission, and mentions minimum standards of accommodation for Members and a number of other issues related to priorities. The input into that report from Peter Grant Peterkin, and his department under his lead, was massive and I am grateful to him for that.

There is one area for which I think Peter Grant Peterkin would like to be remembered. It is not an issue that is in the public domain in a major way at the moment. Over the past year, he has been pushing me very hard to have a proper look at how we can "green" Parliament and make it an example that the rest of the country can follow. Some of that has trickled out into the press over the last few weeks. He is the initiator of many of the ideas that we will discuss and I thank him for the contribution he has made and the thinking that I hope will develop into this being the greenest Parliament in the world, and a leader in this country.

Like everyone else who has spoken and will speak, I wish Peter Grant Peterkin and his wife the happiest of retirements.

1.46 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I associate myself and my colleagues from the Liberal Democrat Benches with the motion on the Order Paper and the tributes already paid to the Serjeant at Arms. I checked the chronology, as one does, and found that the Deputy Leader of the House was right to say that the post of Serjeant at Arms goes back to 1415. There have been 38 known holders of the post, of whom this Serjeant is the last. When he took over three years ago, there had been almost 590 years of the Serjeant at Arms doing jobs for the Speaker and the House of Commons. If ever there was a job that one would expect to be different at the end from the start, that must be it.

Peter Grant Peterkin came to what some people have described as being a slightly different role for somebody who was a major-general—in fact, it is more like being a sergeant-major. That is what the House clearly needs in some respects. It needs somebody who is, on the one hand, chief housekeeper and, on the other, chief security officer—a combination of roles that he has fulfilled extremely well. It is a tribute to him that it is obvious from all the comments that he has been extremely popular with parliamentary colleagues who have worked with him, with his staff, who to a person were outside yesterday to salute him as he brought in the Mace on his last formal Wednesday supporting Mr. Speaker, and with the press. That must be a triple success that not all his predecessors secured.

[Simon Hughes]

Colleagues have paid tribute to Peter Grant Peterkin's extremely eminent military service, after an academic career in which he got not just a first degree but a second degree, at the great northern university of Durham. He has a Scottish and English background and has not only served his regiment, the Queen's Own Highlanders, but has served in almost every part of the world where British forces have been deployed: Belize in Latin America, the Falkland Islands, Hong Kong in Asia, and Australia. Probably most eminently, after his period in command he served in Kosovo, as part of the important recent international task there. We pay tribute to him for that.

I notice that, in Peter Grant Peterkin's *Who's Who* entry, one of his preferred recreations is cleaning ditches—not something that I have ever seen in anybody's *Who's Who* entry before. I sense that that might have been good training for a job that the Serjeant at Arms has to do all the time: mending fences. He did that well. As the Deputy Leader of the House said, as part of the great transformation over which Peter Grant Peterkin has presided, of which the most visible outward sign has been the new staff team who look after our visitors—they do their jobs extremely well and courteously and provide very good information—there have been many changes behind the scenes, to which the Chairman of the Select Committee referred. Some of those changes are not yet in the public domain. It has been a period of huge transition, but he will be the last Serjeant to preside over a significantly large staff. I understand that there are about 400 people in the present Department, whereas the person who replaces Peter Grant Peterkin will have only about 40 people under their direct command.

As we pay tribute to Peter Grant Peterkin and wish him and his family all the very best for the future, we ought to observe that the old order changeth and giveth way to the new. The job of Serjeant at Arms will never be the same again.

1.50 pm

Sir George Young (North-West Hampshire) (Con): I should like to add a very short footnote to the tributes already paid to Peter Grant Peterkin. I chair the Standards and Privileges Committee, which has had a fair amount of traffic with the Serjeant at Arms Department. He has been unfailingly fair and courteous in his dealings with us and in helping to administer the rules of the House.

As has been said, Peter Grant Peterkin's three years in post have coincided with a general election, a massive security programme and a lot of building activity. However, it has also coincided with the House's determination to reconnect with the world outside, and he has played a key role in helping to build bridges.

I know that he is enormously popular and respected in his Department, and he can look back with pride on his three years in the House. I wish him and his wife Jo all the best in the years ahead.

1.51 pm

Stewart Hosie (Dundee, East) (SNP): May I add the best wishes of the Scottish National party and Plaid Cymru groups to the Serjeant at Arms on his retirement? In particular, I should like to communicate the best wishes of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and my hon. Friend the Member for Moray (Angus Robertson), who I know has written to him personally.

I am very pleased that the Deputy Leader of the House laid out in some detail the Serjeant's efforts in this House and his previous record in the military, all of which should be commended. He was unfailingly courteous and wholly professional in all his dealings with our groups. I suspect that the House will miss him sooner than we think, and we wish him all the very best for the future.

1.52 pm

Mr. Edward Garnier (Harborough) (Con): I shall say little, not because there is little to say but because I suspect that the Serjeant at Arms has pursued his career in the military and the House motivated by a sense of duty rather than in search of reward and thanks.

I do not hold an official post that entitles me to speak to this motion. I speak simply as one who has known Peter Grant Peterkin for more than 35 years, having met him first when he was a young officer in the Queen's Own Highlanders in the north of Scotland, where he lived all that time ago. I have followed his career since, and it became increasingly and abundantly clear that he is a man of great quality. His departure from the service of the House will be a great loss, and we will miss his wisdom, guidance and sureness of touch.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) said that the job of Serjeant at Arms calls for the qualities of the sergeant-major as much as of the major-general. He may not know that the rank of major-general was originally called sergeant-major general. Because the rank of lieutenant-general is senior to that of major-general, it might perhaps have been better to retain the sergeant-major general rank, but that did not happen. Either way, we were fortunate to have a major-general as our Serjeant, and this one in particular.

All those who have spoken have mentioned Peter Grant Peterkin's international military career, and that is now on the record for all to see. It gave him an outlook that was very valuable to the House. Although we often talk about foreign affairs, a career spent serving overseas brings great benefits to those of us who work in Parliament, whether we are elected or unelected officials here. We have all benefited hugely from his overseas experience.

In parenthesis, I note that Peter Grant Peterkin was in Kuwait in the 1990s, as part of the UN military observer mission. It is perhaps significant that, at that time, there was not a whiff of anything called a "dodgy dossier". How things have changed!

I should like to extend my personal thanks to Peter Grant Peterkin for what he has done for the House, and to wish him, his wife and family all the very best on his retirement. I am happy to say that he is still a young man, with lots of active working life ahead of him. I am sure that he will be snapped up by someone else before long.

I do not want to overdo the military analogy, but today we see a Serjeant at Arms leaving the field with his colours held high and flying proudly, and I salute him.

1.55 pm

Mike Penning (Hemel Hempstead) (Con): I should like to add a final footnote to the debate, I hope on behalf of all those other hon. Members of all parties who entered the House as part of the 2005 intake. I am sure that the Serjeant at Arms saw us all as upstarts when we first arrived, but I should like to thank him for his generosity in spending time with us as we learned the processes of this wonderful establishment.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Will the hon. Gentleman give way?

Mike Penning: I do not think I can give way, but if the hon. Gentleman is patient he can jump up in a minute—although that will mean that my contribution is no longer the final final footnote.

Whether they have worked here before or not, new Members think that they are the most important people in the world. The Serjeant at Arms was a major-general in the Army, whereas I was a lowly guardsman, but one of his great attributes was that he treated everyone with great respect and understanding. That is why this place has worked so brilliantly well.

Sometimes things still happen here for the first time. I am sure that the Serjeant was as proud as I was when, last Thursday, his team and staff from the Speaker's Office helped to organise a visit here by nearly 100 British soldiers who had just arrived back from Afghanistan. They marched through the Central Lobby in uniform, and then had a good drink and an enjoyable time. That is the sort of thing that this House should be doing, and it would not have happened without the help of the Serjeant at Arms. Therefore, on behalf of the 2005 intake, I thank him for all his work.

1.56 pm

Mr. Desmond Swayne (New Forest, West) (Con): I am deeply troubled by what the hon. Member for North Southwark and Bermondsey (Simon Hughes) said, as I had not spotted that change coming. However, the Serjeant at Arms was most helpful to me on one occasion when I had acquired a formidably large chain for my bicycle. I managed to lose the key, and had to look for help from him very late one night. He immediately despatched an officer with an equally formidable device that enabled him to snap the chain there and then. I am deeply concerned that a future Serjeant at Arms would not be able to render similar help.

I am hugely grateful to the Serjeant at Arms for all that he has done, both for me personally and for all hon. Members.

Question put and agreed to.

Orders of the Day

CONSOLIDATED FUND BILL

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith, pursuant to Standing Order No. 56 (Consolidated Fund Bills), and agreed to.*

Bill accordingly read a Second time.

Question, That the Bill be now read the Third time, *put forthwith and agreed to.*

Bill accordingly read the Third time, and passed.

TOPICAL DEBATE

Cheap Alcohol (Health Consequences)

1.58 pm

The Minister for the South West (Mr. Ben Bradshaw): The Minister for Public Health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), would very much have liked to open this debate, but she is in Brussels representing the UK at an EU Council meeting.

Alcohol has been part of human life since time immemorial, but our relationship with it has never been straightforward. In moderation, it can be a social lubricant and have health benefits, but in excess it can damage health and cause wider personal and social harm. The way in which alcohol is managed in a free society raises questions about the role of the state and about individual and family responsibility. Those are questions it is not always easy to grapple with, and views in the House will vary, across political lines.

Levels of alcohol consumption depend on a number of factors, including affordability, social acceptability and availability, but evidence suggests that affordability and social acceptability play a more important role than availability. Consumption in the UK has grown steadily over the decades as we have become richer. In 1947 a bottle of whisky cost the equivalent of £50 today. When I was growing up, there was drink in the house only at Christmas and on special occasions, whereas nowadays many people drink regularly, even daily. Excess alcohol consumption can increase the risk of heart disease, stroke and cancer. If we look at a graph of liver disease over the past 30 years, we see that the UK was near the bottom of the international league 30 years ago. In other countries liver disease has been falling, but in the UK it has been steadily rising. If trends are not reversed we will soon have more liver disease than France, which used to have the worst levels of liver disease in the world.

Government action can make and has made a difference. Since our first alcohol harm reduction strategy was published in 2004, general levels of alcohol consumption have fallen, as has violent crime, which is often alcohol-related. The proportion of young people under 16 drinking has declined to the 1992 level.

Mr. Peter Bone (Wellingborough) (Con): My constituent, Mr. Barry Haycock, has rung me three times this week about young children who have got cheap alcohol from the local shop, sometimes by stealth and sometimes by stealing. They are making the retailers' lives an absolute misery. That is a real issue in Rushden. Can the Minister give me any reassurances and say what might be done to help?

Mr. Bradshaw: Such behaviour by local retailers is disgraceful, and I urge the hon. Gentleman, or his constituent, if they have not already done so, to report the matter to the local police and trading standards officers.

Philip Davies (Shipley) (Con): If I understand correctly, the Minister's point is that the price of alcohol has come down in recent years in relative terms, yet binge drinking and the crime associated with it have come down. Does he conclude that limiting the opportunity for supermarkets to sell alcohol at a discount would make no difference to binge drinking or crime levels?

Mr. Bradshaw: I will come to that point in a moment; it is exactly for the reasons the hon. Gentleman mentions that we are reviewing the matter. The Government's renewed alcohol strategy "Safe, Sensible, Social", which we launched in June, aims to build on the progress that I have outlined. Three particular groups give rise to the most concern: young people under 18, to whom I have referred; 18 to 24-year-old binge drinkers; and older, harmful drinkers.

In his comprehensive spending review statement in October, my right hon. Friend the Chancellor of the Exchequer announced a new Home Office public service agreement—the first relating to alcohol—to produce a long-term, sustainable reduction in the harm caused by alcohol. It will include a new national Department of Health indicator to measure changes in the rate of hospital admissions for alcohol-related harms. Again, that will be the first ever national commitment to monitor how the NHS is tackling harm caused by alcohol. We plan to achieve that through the inclusion of alcohol in the new NHS performance framework, the details of which we shall announce soon. Local health trusts will set targets and priorities against that framework. The new indicator will encourage general practitioners and hospitals to identify people who drink too much and to intervene earlier with advice and support. We are also about to embark on the biggest ever information campaign to drive home the message about daily drinking guidelines, how people can estimate how much they are drinking, and the risks of drinking too much. That will be launched next April.

Kelvin Hopkins (Luton, North) (Lab): In that propaganda, will my hon. Friend emphasise, particularly to children, the dangers of addiction? We are talking about a drug that is not just damaging but very addictive, and that is an underlying cause of the problem.

Mr. Bradshaw: My hon. Friend is absolutely right. The campaign is important because there is a lot of misunderstanding about the units system. For example, many people do not realise that the units being talked about are the equivalent of half a pint of 3.5 per cent. beer or cider, whereas a lot of the beer and cider sold today is 5 or 6 per cent. The same is true of wine: one unit means one small glass of wine at 9 per cent., but these days it is quite difficult to find wine that is below 11 or 12 per cent., and much of it is served in much bigger glasses. There is a serious perception problem; people think that they are consuming less than they are, and a contributory factor is that they often do not realise that units are smaller than they imagine.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister refers to the bleak local and national figures. Cases of cirrhosis of the liver have doubled in the past seven years, and have gone up by more than a third in the past two years. Does he not think that we ought to have a much more widespread and effective public health campaign? Notwithstanding the comments of the hon. Member for Shipley (Philip Davies), the

availability of cheap alcohol at national chains with names like Bargain Booze says an awful lot about us as a nation, does it not?

Mr. Bradshaw: I am not quite as gloomy as my hon. Friend, for the reasons that I highlighted earlier: since the first strategy was announced in 2004, there has for the first time been a reversal of the historical trend of increased consumption. He is right: alcohol has become cheaper, relative to income, but since the early 1980s, the price of alcohol has risen 24 per cent. higher than general retail prices. However, there is a relationship with price.

Mr. Desmond Swayne (New Forest, West) (Con): I do not underestimate the size of the problem, which we all see in our constituency surgeries, but I am not persuaded of the extent to which price is a factor. I stay out of supermarkets, but the place where I, and most of my constituents, buy alcohol is the public house, and we find it expensive enough. Will the Minister reassure us that we are not being softened up for a great hike in taxes?

Mr. Bradshaw: The hon. Gentleman is right: the picture is complex, and that is exactly why we are holding the review that I described.

Kelvin Hopkins *rose—*

Mr. Bradshaw: May I just finish this point? Madam Deputy Speaker, I seek your advice; do I get injury time for every intervention?

Madam Deputy Speaker (Sylvia Heal): No, I am afraid not. There can be up to 10 interventions, but there is no injury time.

Mr. Bradshaw: But do interventions add time to my 10 minutes? [HON. MEMBERS: "Yes."] The hon. Member for New Forest, West (Mr. Swayne) is right to point out that the situation is complex. The World Health Organisation says that it is clear that price is a factor, but Italy and Spain, whose alcohol prices are significantly lower than ours, also have lower consumption, so there is a strong cultural factor.

Several hon. Members *rose—*

Mr. Bradshaw: I will give way one more time to my hon. Friend the Member for Luton, North (Kelvin Hopkins), and then I really must make progress.

Kelvin Hopkins: I will forgo making an intervention, to save time.

Mr. Bradshaw: I am grateful.

Several hon. Members *rose—*

Mr. Bradshaw: I must make some progress, but I give way to my hon. Friend the Member for Wirral, West (Stephen Hesford).

Stephen Hesford (Wirral, West) (Lab): I am obliged to the Minister for giving way, and I welcome the fact that the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), is also sitting on the Front Bench. The hon. Member for New Forest, West (Mr. Swayne) mentioned price, but I strongly disagree with him. There is a link with price. I brought a matter to the attention of my Front-Bench colleagues. I do not know whether hon. Members can see what I am holding, but it is a card that is delivered to the estates in my constituency. It is headed—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will quickly complete his point.

Stephen Hesford: It is headed, "Not drunk enough". It is an offer of cheap booze, which one can phone up for, like a takeaway. Does my hon. Friend deprecate that method of selling alcohol?

Mr. Bradshaw: I deprecate that, but as I explained earlier, the issue is complex, and that is why we are reviewing it.

John Hemming (Birmingham, Yardley) (LD) *rose—*

Mr. Bradshaw: I will give way one more time, and then I must make progress.

John Hemming: Obviously, this Christmas the Government are discouraging people from going to pubs and clubs, and encouraging them to drink at home by penalising such drinks as the yard of ale. People are likely to face a fine for drinking a yard of ale in any pub or club outside the House of Commons. Does the Minister not accept that it is better to encourage people to drink in controlled circumstances? Under what the Government call the responsible alcohol sales campaign, if people are argumentative—that includes a lot of hon. Members, I presume—they are deemed to be drunk, so serving them would be an offence punishable with a fine of up to £80.

Mr. Bradshaw: I do not agree with that. Serving drunks is a serious matter, and it leads to increased violence. Some people have claimed that the new licensing laws have contributed to the problem. There is no evidence to support that. As I said earlier, the latest figures actually show a recent reversal in the long-term increase in alcohol consumption. Serious violent crime is down by 5 per cent. during the evening and at nights, and less serious wounding is down by 3 per cent. Accident and emergency departments have seen a 2 per cent. decrease in serious violence. I know from talking to the police in my own constituency of Exeter that the staggering of closing times for nightclubs has helped to reduce the problems associated with everyone pouring out on to the streets at the same time. Councils and the police are using their new powers, and I would urge them to use them more.

We remain concerned, however, about the practice by shops and supermarkets of deep discounting promotions, often as loss leaders, and at below cost price, of alcoholic products. We have therefore announced, as I said, an independent review of the evidence of the relationship between harm and the pricing and promotion of alcohol. Depending on the review's findings, which are expected next summer, we are prepared to change the law.

Mr. David Burrowes (Enfield, Southgate) (Con): The Minister has moved on from an analysis of the impact of the licensing liberalisation, but is it not the case that those figures fail to take account of hidden harm in the home, such as the increase in domestic abuse? Hospital admissions have increased—perhaps not because of violence, but they may be alcohol-related—by 2,000 since 2002.

Mr. Bradshaw: I urge the hon. Gentleman to be cautious about those statistics, because the collection of statistics in the health service on alcohol-related injuries is extremely patchy. The evidence from official health service data is that the sort of injuries that one would expect from drinking alcohol have declined since the Licensing Act 2003 came into force. However, he is right to suggest that there may be a hidden problem that requires further examination and exploration.

Mr. Don Foster (Bath) (LD): I am grateful to the Minister, who is most generous with his time. When the review takes place, will he ensure that it looks at a problem for local authorities? Under the Licensing Act, they are not allowed to impose a blanket condition on licences regarding cheap drink promotions. They can impose conditions only on individual establishments, if they can demonstrate that a problem has been created on, or in the vicinity of, the premises. However, if supermarkets sell cheap drinks, which people take away, the local authority has no powers to act.

Mr. Bradshaw: The review is independent, so it is entitled to look at whatever it likes. If the hon. Gentleman would like to suggest that it look at that issue, I am sure that it will take his representations seriously.

We have introduced measures to tighten the rules on advertising. Since the Advertising Standards Authority changed its code in 2005, we have more stringent guidelines than ever before on alcohol's appeal to young people, the sexual content of advertisements, and irresponsible or antisocial behaviour. Polling evidence already suggests that that has reduced young people's exposure to alcohol advertising. The Advertising Standards Authority and the recent report by the regulator, Ofcom, have shown that young people are exposed to fewer alcohol advertisements on television. In addition, the Committee of Advertising Practice and the Broadcast Committee of Advertising Practice will undertake a full review of all advertising codes in 2008.

It is in everyone's interests to reduce the harm to health and the costs to society of excessive alcohol consumption, while avoiding unnecessary or nannyish restrictions on adults who wish to enjoy a legal product. I believe that the Government have got the balance right, and with the measures already undertaken and those planned for the future I hope that the picture will improve. I look forward to listening to the views of other hon. Members during the course of this debate.

2.13 pm

Dr. John Pugh (Southport) (LD): We must all accept that alcohol is society's drug of preference. It is almost hard-wired into our social life—arguably, more than ever. Like most drugs, it has sought-after effects, such as the social lubrication to which the Minister referred, as well as noxious and toxic effects. Some of those effects are social rather than physiological, and we all know what they are.

As with all drugs, obtaining the sought-after effects and avoiding the noxious ones is a question of controlling the dosage. That control is a matter and, indeed, a learning curve for individuals and societies. The risks are greater for people who have not been exposed to them before, such as young teenagers and native cultures that have never previously encountered alcohol. The social know-how that has developed to deal with that drug of preference varies. Latin countries assume that social patterns and customs largely provide the means for managing the problem, whereas in Nordic countries, we rely more heavily on regulation, prohibition and fiscal disincentives. Both strategies can work, except when Nordic folk go to Latin countries and suddenly find that the sangria is freely available, is all too cheap, and is as plentiful as water.

Regrettably, Nordic cities from Moscow to Glasgow and Stockholm cannot manage without compensating legislation and a degree of Government paternalism. We therefore have legislation and licensing, which have recently varied—arguably to no appreciable effect, because alcohol-related crime has not gone down significantly, although some of it is committed a little bit later than before, which puts pressure on police services that were unprepared for the change. Taxation has varied recently—arguably to no good effect, because we have some of the highest taxation rates in the EU as well as some of the highest rates of consumption. It is easy to blame the licensing laws. I shall not endeavour to do so, because pub sales have not rocketed. I assume that when the hon. Member for Selby (Mr. Grogan), the chairman of the all-party beer group, speaks he will address that serious problem. Pub sales have not gone up.

Kelvin Hopkins: I do not want to take up too much of the hon. Gentleman's time, but is not one reason why pub sales are not as buoyant as they were the fact that young people buy vast quantities of cheap alcohol in supermarkets and tank up before they go to the pub?

Dr. Pugh: That is precisely the explanation. Home and street consumption—the latter is a hidden area—has gone up quite remarkably in the past decade. The principal beneficiary is the supermarket, not necessarily in increased profits, but they have maximised their customer base and such sales attract more people into the shop. I accept that alcohol accounts for less than 10 per cent. of their sales, but they certainly endeavour to use it to produce sales elsewhere.

This Christmas, in my town, as surely in every constituency, there will be the usual sad litany of alcoholic excess of one kind or another: antisocial behaviour, fights, road accidents and possibly deaths. If we look back over the past decade, we can see that consumption has increased, although it has dipped a bit lately; bingeing has increased, although it, too, has dipped a bit lately; liver disease has gone up inexorably; unwanted conceptions and sexually transmitted diseases, which are alcohol-related, have increased; and alcoholism itself has increased. The Government can have an impact on that, although I am not entirely certain how much. They could usefully ban dumping or loss-leading sales of alcohol by supermarkets. They could vary the fiscal regime to encourage better drinking habits. They could increase the penalties—in fact, they are planning to do so—for alcoholic excess.

Ultimately, there is no substitute for long-term change in our cultural habits. Almost any device that we come up with can be subverted by a new marketing strategy by the drinks companies. We have a cultural problem as well as a health problem, and the depth of that problem is shown by the fact that if behaviour that was previously considered dangerous, sad and reckless is exhibited by a celebrity and reported by a newspaper it is considered amusing, normal and fun. That is a clear cultural change of a highly negative nature. No one these days bats an eyelid at the fact that female drinking patterns resemble those of the rugby club. That is not a Government problem—it is not fair to blame them—and it is not simply a pricing problem, but it is a profoundly corrosive social tendency.

Mr. Burrowes: I welcome the hon. Gentleman's focus on the need for cultural change, and I welcome role models such as Lewis Hamilton, who has tried to promote responsible drinking. Should not cultural change extend beyond celebrity role models—some of them are good, but some of them are bad—as it should take place in the family, and should encompass the example that fathers and mothers can set?

Dr. Pugh: I agree. There is a masked problem of too much drinking in the home, although I will not dwell on that. There is a role, too, for good social education in schools, although they cannot do the complete job, because children do not start to drink until they are in the later stages of their school career. There is a case for good public health education—and the Government have stated it—but powerful levers are operated by the media and by the drinks industry.

John Hemming: My hon. Friend said that there was too much drinking in the home. Does he share my concern that someone who recently drank a single pint in Birmingham was told that he was drunk and threatened with a fixed penalty notice? That drives people from a controlled drinking environment into the home, where they drink cheap alcohol in larger quantities.

Dr. Pugh: It would surprise me if I found that people were, in general, driven out of pubs, where they feel they cannot drink, into the home, where they feel they can. It is not a social trend that I have observed.

My conclusion is that the problem is a whole-society problem, which requires a whole-society response.

Madam Deputy Speaker: Order. May I remind Back Benchers that Mr. Speaker has imposed a 10-minute limit on speeches from Back Benchers.

2.20 pm

Mr. Eric Illsley (Barnsley, Central) (Lab): I remind the House of my interests. I am the honorary adviser to the Federation of Licensed Victuallers Associations.

I am the person who suggested this as a topic for debate, and I think I was right to do so, given the lively way in which the debate has begun and the information being exchanged across the House. We can see already that there are different levels of knowledge about alcohol consumption in the United Kingdom. Overall it is falling, but cheap alcohol is available, usually in supermarkets. I take on board what the hon. Member for Birmingham, Yardley (John Hemming) said. There may be too much drinking in the home, in an uncontrolled environment. People are moving away from pubs and clubs, where the sale of alcohol is falling, mainly because the price in pubs and clubs has remained reasonably expensive, compared with supermarkets.

The issue is topical, so close to Christmas. I do not want anyone to consider me or any other hon. Member a killjoy for debating the subject of cheap alcohol and criticising its availability. On my part, that would be a little hypocritical. However, it is right that we should examine the issue of excessive uncontrolled drinking, especially among younger people—the 18-to-24 age group, who are likely to buy alcohol in a supermarket, drink it before they go out for an evening, and drink again in a pub later in the evening. If they fall into bad behaviour, the pub usually gets the blame because it is their last place of drinking.

Mr. Bone: What is the hon. Gentleman's opinion of the extent of the problem of youngsters not drinking in the home or in pubs, but buying drink from supermarkets and drinking on the streets?

Mr. Illsley: That is probably worse than drinking in the home, because in the home there is at least the chance of some parental advice, guidance or control. The kids who buy alcohol from the local off-licence or the local paper shop—I have that in my constituency, at the end of my street—go round the corner and drink it on the street. Hopefully, that is a minority. As I said, overall alcohol consumption in all groups is falling. We are working towards that.

Jeremy Wright (Rugby and Kenilworth) (Con): Following the question from my hon. Friend the Member for Wellingborough (Mr. Bone), does the hon. Gentleman accept that there is a serious problem with access to alcohol by young people from the corner shop or the paper shop, as he describes? One of the reasons why that is a problem is that that alcohol is being sold by people who may not be much older than those who are buying it. Unlike the supermarket environment, there is a difficulty because people who are on duty on their own in a corner shop are pressurised to sell alcohol when they should not.

Mr. Illsley: That is a good point. There could be all manner of pressures on someone selling in a shop like that, especially if a group of kids come into the shop and a young girl or young woman is serving behind the counter. There is pressure on that person, but I do not want the House to run away with the idea that the corner shops are all selling irresponsibly. There are codes of practice throughout the industry. The Wine and Spirit Trade Association particularly made that point. We should not condemn all corner shops.

I welcome the remarks that the Minister made in opening the debate, and I shall not repeat what he said about the alcohol strategy. I welcome the steps that the Government are taking, and I hope that they will enable us to find a way of rebalancing the argument. From my point of view, that means rebalancing the argument between the supermarkets and the cheap sales, and the pubs and clubs which are suffering.

Philip Davies: Can the hon. Gentleman explain why my constituents and no doubt his constituents, the vast majority of whom buy their alcohol in the supermarket and drink responsibly, should pay more for their alcohol simply to cover a minority of people who are drinking irresponsibly and may well continue to do so anyway?

Mr. Illsley: My wish is that they did not have to. If we did not have the problem of excessive drinking and bad behaviour, they would not need to. The reason that the hon. Gentleman is looking for is that the price of alcohol in supermarkets and other retail outlets is artificially low. I shall come to that.

The difference between controlled and uncontrolled drinking is having an effect on the pubs and clubs, where prices have continued to increase in line with inflation. In the supermarkets, the price of alcohol has not risen because they are selling it at less than the wholesale cost.

As I mentioned, most of the organisations dealing with alcohol in the UK have codes of practice. The Federation of Licensed Victuallers Associations has its social responsibility standards, which include promoting responsible drinking, avoiding any actions that encourage or condone illegal, irresponsible or immoderate drinking, taking reasonable precautions to ensure that people under the legal purchase age cannot buy alcoholic drinks, and avoiding any forms of marketing or promotion that have particular appeal to young people.

Those are the guidelines applicable to pubs. The British Beer and Pub Association has a document on point-of-sale promotion. BBPA members are committed to the responsible management of licensed premises and the responsible promotion of their brands. There is a substantial document which places conditions on the licensed trade to act in a responsible manner. If a young person is drunk in a pub, the licensee, by the terms of his licence under the Licensing Act 2003, has a responsibility not to serve him and to remove him from the premises.

Mr. Don Foster: I welcome the hon. Gentleman's mention of the industry's voluntary codes of practice. We should all welcome what the British Beer and Pub Association and others have been doing. Does he not find it odd that in the guidance on the licensing regime, section 10 specially says that it is okay for a local authority to encourage the adoption of an industry code of practice, but local authorities are forbidden to promote their own locally determined code of practice? Is that not a huge anomaly?

Mr. Illsley: Indeed. I listened to the hon. Gentleman's point to the Minister earlier. The Government could look into that as a way of trying to resolve the problem of irresponsible drinks promotions. In my constituency we had a case a couple of years ago when the police intervened. A nightclub was offering a £10 entrance fee which allowed people to drink all they wanted all evening. The police took action to persuade the nightclub owners not to pursue that promotion. There are various examples of that throughout the industry. The pubs and clubs industry is to a large extent regulated by its own codes of practice.

John Hemming: With his expertise from dealing with the Federation of Licensed Victuallers Associations, I am sure the hon. Gentleman has heard the concerns of members of that association about the uncertainty of the definition of the word "drunk" in the 2003 Act. According to the guidelines issued by the Home Office, difficulty in paying attention and not understanding what is said is a sign of somebody being drunk and could therefore result in a fixed penalty. I would argue, although the hon. Gentleman may not agree, that that could be said of many Ministers, who cannot understand what is said. The difficulty is that in Birmingham, very low level drunkenness has been deemed sufficient for fixed penalty notices.

Mr. Illsley: That is for the licensees and the police, I suppose. The fact that the hon. Gentleman mentions fixed penalties suggests that the police have been brought into the premises at the licensee's behest. It is one aspect of the new licensing laws that we can consider.

I turn to the availability of cheap alcohol in supermarkets. This week premium spirits—gin, scotch, vodka—are on sale at £10 per litre in Tesco and £20 for 2 litres. Supermarkets are selling 70 cl of these spirits at £9.98. A litre is £10, so for 2p extra, one gets the other 25 cl. In Asda, a person can buy three cases of 18 440 ml cans of John Smith's, Foster's or Carlsberg for £20, or two cases for £16. Such promotions are advertised on TV and in newspapers. The *Daily Mail*, one of the newspapers that rails so much against binge drinking and irresponsibility in this country, runs those adverts promoting cheap alcohol. There is a little hypocrisy on the part of the press.

Somebody mentioned historical prices. I have a price list from 1986; in that year, Tetley's bitter cost 68p per pint. If we adjust that for the changes in VAT since 1986 and apply inflation at 119 per cent., that price should be £1.51 a pint today. Someone going to a pub in my constituency today would pay £2.40 per pint, the cost of a pint of Tetley's is 59 per cent. more than the retail prices index would imply. That is how much the price of beer in a pub setting has increased. In 1986, a can of Tetley's beer in a pub, on and off sale, was 79p; today, in a supermarket, a can of Tetley's costs 55p. That is the answer to the question raised by the hon. Member for Shipley (Philip Davies): beer prices are artificially depressed.

I have promised to be careful about what I say in respect of my next point, because a major brewer has threatened legal action against the FLVA. An invoice from that brewer to Morrison's shows that the supermarket was selling cases of beer at prices lower than the brewer was charging. Those prices are artificially depressed. I want some form of rebalancing of the situation between our supermarkets and pubs because pubs are a controlled environment.

As the Minister said, a lot of the beer on sale in supermarkets now is much stronger than beer served in a pub, for example; we can buy much stronger beers and spirits. The Licensing Act 2003 brought in "24-hour drinking", but we should remove that phrase because it is a complete myth. Some 9 per cent. of pubs, bars and nightclubs applied for a 24-hour licence. In total, that involves just over 500 establishments. However, some 18 per cent. of supermarkets have a 24-hour drinking licence, so in my constituency, the kids can go drinking in the town centre on a Friday night, and when the pubs have closed they can go to the

supermarket on the way home, get a few cans of beer and use the free phone in the supermarket to call a taxi. Some 65 per cent. of hotels have 24-hour drinking. There is very little 24-hour drinking in this country.

2.33 pm

Mr. David Amess (Southend, West) (Con): Although I welcome this topical debate, it seems a bit bizarre that the Minister is not given the opportunity to respond. I doubt whether any hon. Member is going to stand up and say, "Isn't it wonderful that we are all getting sloshed?" *[Interruption.]* Am I being advised that the Minister will respond?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker) *indicated assent.*

Mr. Amess: That is just as well; there is no point in a topical debate unless the Minister can say, "That hon. Member made a good suggestion."

I listened carefully to the Minister of State, the hon. Member for Exeter (Mr. Bradshaw), when he opened the debate, but I am afraid that none of what he said washes with me. His picture of what the Government have been doing is a million times removed from the reality of life in Britain today. This Government are strong on strategy but very weak on delivery. All this is typical of the Government. If anything is to blame for the problem that we are debating, it is the relaxation of licensing laws. In the same way, if we had had casinos in every town, we would probably have had a topical debate about people gambling too much. There is no doubt that the relaxation of licensing laws has made the situation much worse.

I am a tea-aholic; I enjoy cups of tea. My hon. Friend the Member for Shipley (Philip Davies) is a teetotaller, but I am not—I enjoy alcohol. I drink not to drown my sorrows but to increase my pleasure and I shall certainly not join the hon. Members who condemn all cheap alcohol. I go to stores and like my three bottles for £10 and all that. Surely we should be talking about the fact that young people—who should not be drinking in any case because it is illegal for them—are drinking too much.

The Minister and the Government do not recognise life in Britain today. The situation is absolutely out of control. We turn on the TV and see yet another reality programme glorifying everyone getting sloshed. It is no good Members saying in the House how dreadful it is; what is important is what the House is going to do about it. I will be honest and say that I do not have a magic solution to the problem although as I have said, the relaxation of our licensing laws has been a disaster.

During the course of the Health Committee's inquiry into obesity, some of us argued that the calorific content of alcohol should certainly discourage young people, who are figure-conscious, from over-imbibing.

Philip Davies: My hon. Friend made a good point about under-age drinking. Does he agree that there has been too much focus on increasing penalties for people serving at checkouts and shopkeepers, who often find themselves in difficult situations and try to do the right thing? Much less has been done to tackle the people who know that they are breaking the law—the young people themselves. Perhaps there should be tougher sentences for the under-18s who try to buy the alcohol in the first place. That is the only way to tackle the problem; we should not for ever clobber hard-pressed shopkeepers and checkout operators, who are trying their best under difficult circumstances.

Mr. Amess: I understand, Madam Deputy Speaker, that if I keep giving way my speech will be longer, so I shall not give way to anyone else or others will be squeezed out of the debate. I say to my hon. Friend that the police do not work as volunteers; we pay them to do a job. I very much regret the terrible example that Sir Ian Blair is setting at the moment. Frankly, I do not want the police to clean up after people who have drunk too much; I want them to do the real job of policing, although I agree with what my hon. Friend said.

Nowadays, the toughest job in the world is being a parent. The situation for those of us who are parents of young or youngish children is very different from how it was for our equivalents 20 or 30 years ago. We do our best for our children and try to point them down the right path, but my goodness, they face terrible challenges. It is no good hon. Members coming out with clichés; we need a solution. One positive idea relates to calories. There is the ridiculous idea that young ladies want to be size zero, but those of us with Dolly Parton earlier this week thought her figure quite welcome. I ask the Government to consider whether the calorific content of alcohol might put young people off.

In contrast to what I think the Minister said, excessive drinking among young people has led to a 20 per cent. rise in hospital admissions in England in the past five years. I should say to the Minister that I got my information from the House of Commons Library. Ian Foster of the north-west ambulance service, which covers Cheshire and Merseyside, one of the worst-hit areas, said:

"It's not unusual for a child to have drunk a litre of vodka. That would have me on my back for three or four weeks."

Mr. Bradshaw: Let me clarify this for the hon. Gentleman's benefit. It is true that young people under 16 who drink are drinking more, but fewer of them are doing so. There is no contradiction in what I said. One of the main planks of the new strategy is to deal with young people under 16 who are drinking too much, although thankfully there are fewer of them now than there were five years ago.

Mr. Amess: Okay, I have listened to the Minister, but I am sick to death of strategies to get out of bed in the morning and go to bed at night. A strategy just gives advice—there is no legal enforcement behind it.

Ministers have been coming under growing pressure to tackle the issues of under-age and binge drinking, with claims that supermarket promotions mean that it can be cheaper to buy alcohol than water. There is no way in which the Government are going to take on the biggest supermarkets in the country—that is an absolute joke. This Government work hand in glove with the big supermarkets on every single issue: "Get your free tokens to get a computer"; "Work with the council and you get a new road put in." It is codswallop to say that they will take on the supermarkets—they will not.

[Mr. Amess]

Last week, research for Ofsted suggested that a fifth of 10 to 15-year-olds regularly get drunk. That is the reality that the Government need to get wise to. We are talking about human beings. The House should be worried about this, or what is the point of being an MP? Certain supermarkets have been selling alcohol as cheaply as 22p a can, but the Government will not do anything about it—they will just say, "Isn't it dreadful?"

Alison Rogers, chief executive of the British Liver Trust, recently said:

"We are seeing an alarming increase in people suffering serious liver problems as a result of alcohol. The United Kingdom is the only developed nation"—

I say this to the Minister—

"with a rising rate of liver disease."

Why is that? We need an answer from the Government.

Mr. Don Foster: Will the hon. Gentleman give way?

Mr. Amess: I would like to, but—*[Interruption.]* Oh, all right.

Mr. Foster: The hon. Gentleman keeps saying that the Government will do nothing. Does he accept that they could at least enforce existing legislation? It is illegal to sell alcohol to somebody who is already drunk, but there have been fewer than 60 prosecutions in the past nine years. It is illegal to sell drink to somebody who is underage, but a Government survey recently showed that of the premises surveyed 40 per cent. were selling to at least one underage person.

Mr. Amess: I am now glad that I gave way to the hon. Gentleman, who is absolutely right. What is the point of our putting legislation on to the statute book when none of it is enforced?

Mr. Bradshaw: That is not true. In the 12 months for which we have the latest figures, 92 licences were revoked, 91 licences were suspended, and some Tesco stores were banned from selling alcohol for three months following the sale of alcohol to a 16-year-old test purchaser. We would like the law to be enforced better, but it is being enforced.

Mr. Amess: We will have to have a private argument later with the Library, but the Minister was right to respond.

A further study by the Centre for Public Health at Liverpool John Moores university shows that more than half of all young adults consume cheap supermarket drinks at home before a night out. That happens all the time. Youngsters get sloshed before they go out for the evening because they cannot afford the drink prices in the clubs. The study showed that those who drink large quantities of cheap alcohol before a night out were four times more likely to drink more than 20 units a night and two and a half times more likely to become involved in violent offences. According to the Alcohol Health Alliance, 13 children are taken to hospital every day as a result of alcohol misuse.

Cheap alcohol is fuelling bingeing. The figures are alarming, especially in relation to children. Health effects include burst bladders, long-term liver damage, injury as a result of alcohol-fuelled violence, liver cancers and mental health problems. Young people have mental health problems as a result of alcohol, just as with the Government's stupid relaxation of the laws on cannabis. Strokes are caused, as well as an array of other serious health problems. Nearly 5,000 cancer deaths per year are attributable to alcohol. I welcome this topical debate on underage drinking and cheap alcohol, but enough is enough. The Minister and the Government must get real to what is happening in society and give us some deliverable solutions.

2.44 pm

Mr. John Grogan (Selby) (Lab): It is a great pleasure to follow the hon. Member for Southend, West (Mr. Amess). He spoke with typical flamboyance and style, and he was provocative as well.

I speak as chairman of the all-party parliamentary group on beer. It is a tough job, but someone has to do it. My oldest mentor in politics said to me once, when I was a much younger man, "Whatever you do in politics, get photographed with contented-looking pensioners and eager youngsters, but never get photographed with a pint of beer in your hand." As chairman of the all-party group, I have often been photographed with a pint of beer in my hand—the only time I made it into the Sunday tabloids was in a particularly unflattering photo when MPs' expenses were published for the first time. The headline of the story was "Hard to swallow". Nevertheless, I would like to make a contribution to the debate.

It is with regret that I say this, but I want to charge Terence Leahy, the boss of Tesco, with being the godfather of British binge drinking. I do not make that claim lightly. I want to give some evidence for it, because I know that some hon. Members are sceptical. Representatives of the supermarkets have come before the all-party group, and earlier this year they argued that it is impossible to produce figures on below-cost selling of alcohol. However, the Competition Commission, as part of its inquiry, produced such figures. In its first go, it said that during the World cup last year, Tesco underpriced beer to the extent of £43.2 million and wines and spirits to the extent of £48 million. Those figures were quickly withdrawn and reduced to £15.1 million for beer and lager, and £100,000 for wines and spirits.

I understand that Tesco argued not that they did not underprice during the World cup, but that they underpriced all the time. Those figures were applicable not just to the World cup but throughout the year—Christmas, Easter, the World cup, the rugby world cup. There is always an excuse to do it. We are talking about selling alcohol at a lower cost than water. We are not talking about baked beans; there has to be a bit of a different attitude. Everyone else has recognised that, as my hon. Friend the Member for Barnsley, Central (Mr. Illsley) so eloquently pointed out. Pubs, clubs and the brewers themselves have all recognised that they have to address the issue, but Sir Terence Leahy still has not. He went into Downing street last week, and the only idea that he came up with—the only one reported anyway—was that the age at which people can drink in the home should be brought down. I do not know how he intends to police that, although I think that a modest amount of alcohol consumption in the home can be a way of introducing people to sensible alcohol consumption.

The hon. Member for Southend, West referred to the study from the Centre for Public Health at Liverpool John Moores university that talked about the concept of pre-loading. To underline what he said, those who drink excessively at home before they go out are four times more likely to consume 20 units of alcohol in an entire night, and about two and a half times more likely to get into a fight and get into trouble with the police.

Philip Davies: Will the hon. Gentleman answer the question that I put to the hon. Member for Barnsley, Central (Mr. Illsley)? Why should my decent, law-abiding constituents, and those in his constituency, be forced to pay more for alcohol that they buy in supermarkets and drink moderately at home in order to deal with the issues that he raises, which may not be dealt with by that solution anyway?

Mr. Grogan: I want to say two things to the hon. Gentleman about that. First, there is a wider social context to this matter. It does not do our society any good if the cost of alcohol is lower than that of water. Secondly, there is an economic impact on small shopkeepers. The Association of Convenience Stores is annoyed because their stores just cannot compete, and small brewers are annoyed because their British beers cannot compete with the massive discounts on things like Stella. The hon. Gentleman has a good point. I do not think that politicians should set the price of beer, and I shall suggest a couple of very modest measures that the supermarkets might like to consider. However, there is a wider context to the issue.

Student unions are even losing out in this process. They are running into deficits because many students are drinking at home before they come out. I mentioned smaller brewers. Simon Buckley of Evan-Evans, a small brewery in Wales, has produced figures for me, which I shall pass on to the Minister, that indicate the impossibility of the supermarkets covering costs at the sort of prices they are charging. It is well worth considering the situation in Scotland. The new Administration have started to address the issue. The new Justice Secretary told Alcohol Focus Scotland that he intends to take a number of measures to deal with it. He said that any promotion that provides alcohol free or at a reduced price on the purchase of one or more of the product—or another product—will be outlawed. He also said that shops should have separate alcohol display areas to help challenge the perception that alcohol is no different to juice or water—or baked beans.

A number of things can be done. I have two suggestions—both of which have been hinted at by other hon. Members—for Sir Terence Leahy and the supermarkets to consider, if they are really serious about the problem. First, given the importance of the issue, they should say that they will abandon the practice of selling alcohol below cost. That would show hon. Members that they are taking it seriously. Secondly—they could start work on this tomorrow—they could work out a code of practice similar to the one that the pubs have, as my hon. Friend the Member for Barnsley, Central suggested. They could use words such as "outlawing irresponsible promotions". The pubs have done that; there is no reason why the supermarkets cannot. Sir Terence Leahy must address the issue. The big supermarket bosses must stop putting their heads in the sand. We want some leadership from those powerful individuals.

I hope that the hon. Member for Southend, West is wrong. The issue is coming nearer to the top of the political agenda. Although there may be no need to call Sir Terence Leahy the godfather of binge drinking, Ministers' credibility depends on ensuring that he comes to the table, deals with Ministers and takes some modest measures that will help to deal with the issue.

Dr. Pugh: If Sir Terence were to take the hon. Gentleman's advice and price his goods accordingly, how could that be policed? How would we know that he had done that?

Mr. Grogan: The Competition Commission suggests that economists can work such things out. I have no doubt that the commission's economists, or others, could produce such figures. To some extent, it is a question of trust. The pubs and so on have made enormous strides. They have watchdogs that monitor them and industry associations that improve standards. The problem with the supermarkets is that they are pretending that there is not a problem when there is. We need to deal with it.

2.51 pm

Mr. Don Foster (Bath) (LD): I did not intend to speak in the debate until, following my earlier intervention, the Minister seemed to challenge some of the figures that I used. I thought that it might be helpful to refer to the figures that the Minister challenged.

First, however, the debate has been fascinating. Although I would never want to be critical of any of my hon. Friends, my hon. Friend the Member for Southport (Dr. Pugh) referred to the fact that people from Nordic countries had to go to Latin countries to find places where sangria was as cheap as water. He only has to go to my local supermarket to find that sangria is cheaper than the bottled water that they sell.

The issue is important. Whatever statistics we all throw—the Minister has thrown some, while others have thrown others—many people fear to go through the streets in our towns and cities because of the hooligan behaviour of far too many people who have had far too much to drink. Whatever the statistics show, the reality on the street surely means that we have to find measures, and find them quickly, to address the problems that we face.

It is worth reflecting that back on 23 November 2005 the then Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), said:

> "We are determined to tackle alcohol related violence and anti-social behaviour in all its forms and crack down on those who encourage it by irresponsible retailing."

That was two years ago, but all we have heard from the Minister so far is that we will have a further review to see what measures can be put in place. During those two years, we have seen increases in the number of problems with cirrhosis of the liver and in the number of admissions to the accident and emergency units of our hospitals after alcohol-related incidents, while the police have said that they are being diverted from other tasks over a much longer time because of some of the changes in the licensing legislation. Clearly, something needs to be done as a matter of urgency.

[Mr. Don Foster]

As well as the many measures that we should consider, such as those suggested by my hon. Friend the Member for Southport and the hon. Member for Selby (Mr. Grogan), who chairs the all-party beer group—we congratulate him on his work—surely we should ensure that existing legislation is properly enforced. I suggested to the Under-Secretary that there was a problem with enforcing the rules that prevent the sale of alcohol to people who are under age. He challenged me about the figures, but they are Government figures from a recent report. It is entitled the "Tackling Underage Sales of Alcohol Campaign". It shows that, of the 2,683 premises targeted, children could buy alcohol at 40 per cent. of them on their first attempt. A parliamentary answer to a question from me a few months ago showed that only 62 prosecutions were brought for that offence.

The Under-Secretary then challenged my other set of statistics about establishments that sell alcohol to people who are already drunk. I note the difficulties, which have been mentioned, of defining that. I accept that it is difficult for the police to prove conclusively that the person was drunk before the last drink that was sold to them. Perhaps the person was sober at the time but was then hit by the fresh air outside. However, the Under-Secretary appeared to challenge the figures, yet they derive from a parliamentary answer given to me as recently as 29 October. They show that throughout the country, in the past nine years there were only 52 convictions of a licensee for permitting drunkenness or riotous conduct on the premises, or selling liquor to a drunken person. Two existing measures are clearly not being enforced.

Philip Davies: No one would defend irresponsible retailers, but it is easy to be an armchair critic. I do not know whether the hon. Gentleman has worked on a checkout or behind a counter at a local Co-op. As someone who has worked on a supermarket checkout, and worked for a supermarket chain for many years, I know at first hand the lengths to which supermarkets go to prevent under-age sales. People are often put in difficult circumstances. Does the hon. Gentleman believe that there is perhaps more mileage in giving more severe sentences and punishments to the people who try to purchase alcohol before they are 18 than in attempting to clobber those who are often trying to do the right thing?

Mr. Foster: I do not disagree with the hon. Gentleman. Earlier, he made a fair point about the difficulty for people, perhaps especially those in smaller shops, who are left alone to do their job. We welcome the work of the chains, of which many small shops are members, and that of the organisations that the hon. Member for Selby mentioned, such as the British Beer and Pub Association, which set out codes of conduct and offer advice and support to people who work in such establishments. I acknowledge that things are not easy. I have already commented on the difficulty for the police of defining drunkenness. However, the figures that I cited show that there are problems with existing legislation not being fully implemented.

It is critical to give our local authorities far more powers to tackle problems in their local communities. Our local authorities understand the difficulties presented by specific circumstances in their area. It is therefore especially disappointing that the Licensing Act 2003 and the guidance issued under section 182 leave local authorities without many of the powers that they would like in connection with cheap alcohol.

Paragraph 10.38 of the guidance states:

"Licensing authorities"—

which are now local councils—

"should not attach standardised blanket conditions promoting fixed prices for alcoholic drinks to premises licences or club licences or club premises certificates in an area as this is likely to breach competition law. It is also likely to be unlawful for licensing authorities or the police to promote generalised voluntary schemes or codes of practice in relation to price discounts on alcoholic drinks, 'happy hours' or drinks promotions."

That takes a lot of the power to address the issue away from local authorities. What is bizarre, however, is the anomaly in paragraph 10.39, which says:

"However, it is acceptable for licensing authorities to encourage adoption locally of voluntary industry codes of practice which cover irresponsible drinks promotions such as that produced by the British Beer and Pub Association".

I fail to understand how it can be acceptable for a local authority to promote a code of practice that has been brought forward by an industry organisation, for example, but it is not possible for a local authority to promote a scheme in its area that it has brought forward itself.

When I recently raised the issue with the Under-Secretary of State for Culture, Media and Sport, who is responsible for licensing, he kept telling me that that was because of the Competition Act 1998, yet surely if a local authority accepts and promotes an industry code of practice, but the local authority next door does not do so, that is the same problem as an authority with its own local scheme. I simply do not understand, so I hope that before we conclude, some hon. Member who contributes to this debate will shed some light on that peculiar anomaly, which prevents local authorities from having any real say in a key issue that affects so many authorities and the people who live within them.

3.1 pm

Mrs. Janet Dean (Burton) (Lab): I am grateful for the opportunity to take part in this debate. As many hon. Members will know, I represent the capital of brewing, Burton upon Trent. I therefore know that it is the wish of the brewing and pub industries that we should have sensible drinking. It is important that we should recognise that most people do indeed drink sensibly.

At a time when there are young people developing alcohol-related health problems that were previously associated only with older people, it is interesting to note that overall beer sales through pubs and the off-licence trade are at their lowest levels since 1969. In fact, according to the British Beer and Pub Association, the volume of beer sold through pubs is now at its lowest level since the great depression of the 1930s. We need to take action to prevent the misuse of alcohol; but we need to do so in ways that do not impact further on our traditional brewing industry. We have already seen 10 per cent. of brewing industry jobs lost in the past two years. There are now 7 million fewer pints of beer a day sold than in 1979. Alongside that, the costs of raw materials—barley, malt, glass and aluminium—are soaring. The BBPA reports that brewing companies earn a profit of only 0.7p per pint, compared with the average 33p per pint paid in beer duty.

I do not believe that increasing duty on beer is the answer to problem drinking. It could also produce less revenue for the Exchequer. Since 1997, beer duty has increased by 27 per cent. while consumption per head has decreased by 11 per cent., whereas the duty on cider has increased by 11 per cent. and consumption has increased by 30 per cent. Duty on wine has changed by 16 per cent. and consumption has increased by 46 per cent., while consumption of spirits per head has increased by 20 per cent., with duty increasing by only 3 per cent. An increase in beer duty would serve only to damage beer sales in our pubs, as other hon. Members have mentioned.

In our pubs, people drink in a relatively controlled environment, compared with off sales. Moreover, any duty increase would be unlikely to affect the price at which beer is sold in the supermarkets, because despite the 27 per cent. increase since 1997, there have been no increases in beer prices in supermarkets. It is clear that the off trade is causing most damage to people's health, whether it be young people getting alcohol from the corner shop or bulk supplies being brought into their homes, sometimes by their parents or older siblings, and usually from supermarkets. Purchases from the off trade are also causing damage to older people, who are drinking more wine than is recommended, for instance, in their homes.

I believe that we should stop supermarkets selling alcohol at below cost prices as a way of bringing shoppers into their stores. As my hon. Friend the Member for Selby (Mr. Grogan) said, supermarkets advertise booze in the same way as they advertise baked beans. In fact, they do not seem to see that there is any difference. We should also look at how much space is taken up by alcohol products in supermarkets, and where they are positioned in the store.

There are opportunities for the Chancellor to raise increased revenue while at the same time discouraging irresponsible drinking. The strength of wine has considerably increased in recent years, to levels as high as 15 or 16 per cent. alcohol, yet all wines are taxed at a flat rate, unlike beer, which is taxed according to its strength. Cider, similarly, is taxed at a flat rate, whatever its strength. Cider duty is 15p a pint. Beer duty is 31p a pint for 4 per cent. alcohol, rising to 58p for 7.5 per cent. alcohol. Cider sales have increased by 41 per cent. over the past two years, taking that share from beer sales. In the off trade that increase is greater, at 60 per cent.

Under-age drinkers on our streets go for cider, rather than beer. They go for what is cheapest and strongest. A litre bottle of super-strength cider contains 15 units of alcohol and can be bought for just £2.99. That is less than 20p a unit. The duty paid on that cider is 52p. If it were beer, the duty would be £2.06. If cider duty were brought into line with beer duty, the Chancellor could raise an extra £277 million in revenue.

Martin Linton (Battersea) (Lab): There is a problem with super-strength 7.5 per cent. alcohol ciders that can be bought for 59p, but does my hon. Friend accept that there is also a problem with super-strength lagers, which are often on sale for £1 and contain 4.5 units in a single-serve container? That amount is above the Government's recommended daily limit.

Mrs. Dean: I agree that we ought to encourage people to drink lower-strength alcohol in general.

During this festive season, it also seems right to mention another health consequence relating to alcohol—that of drink-driving. I commend the pubs in Burton for offering free soft drinks as part of a campaign to discourage revellers from drinking and driving during the festive season. The campaign, which is called "I'll be Des"—that is, the designated driver—is supported by Burton Pubwatch, and I hope that similar initiatives will be launched elsewhere in the UK.

3.7 pm

Kelvin Hopkins (Luton, North) (Lab): I have only a few minutes in which to make my speech, but I am pleased to have this opportunity. I have raised these issues with successive Leaders of the House and I am pleased that the present one has granted us this debate today. I have constantly emphasised the importance of alcohol and health yet, until recently, it has been either the Home Office or the Department for Culture, Media and Sport that has looked at alcohol issues. I believe that the primary issue is the effect of alcohol on health, and I am pleased that we are having this debate today.

I tabled an early-day motion about three and a half years ago on the subject of reducing alcohol-related deaths. This followed a report by the Academy of Medical Sciences which found that a 10 per cent. increase in the price of alcohol would lead to a drop in all alcohol-related deaths of 28.8 per cent. for men and 37.4 per cent. for women. Those are enormous reductions, given the relatively modest price increase. The academy produced a thorough report, which showed that price is crucially significant in this regard.

Philip Davies: The Minister said earlier that he was considering restricting the advertising of alcohol. Does the hon. Gentleman agree that, if advertising by certain manufacturers were further restricted, they would invest their marketing budget in reducing the price of their products still further, thus totally negating the point that he is making?

Kelvin Hopkins: I accept what the hon. Gentleman is saying. I want to emphasise to the Government that we need price control. There should be a minimum price level for all alcoholic drinks. I would like to see their price in supermarkets raised towards the level that pertains in public houses. That would help public houses and depress the sales of cheap alcohol.

Apart from the supermarkets, another source of cheap alcohol is the vast ocean of it that is brought in from the continent of Europe. I should like to see tighter restrictions and lower levels of imports for personal use. A white van-load of beer is not for personal consumption; it is for selling illegally, usually off the record and in the poorer areas of Britain. People make vast sums of money out of doing that.

I really want to talk about alcohol and health, particularly about an issue that I have successively raised in parliamentary questions and called for us to debate—foetal alcohol syndrome and the damage caused to babies before they are born because of their mother's drinking. There is a lot of evidence that the amount of damage caused by alcohol to babies when

[Kelvin Hopkins]

they are born is far and away above all the other birth defects put together. I am not talking only about serious foetal alcohol syndrome, but about rather lower levels of damage that can inhibit babies' intelligence, perhaps leading them to perform less well at school or to have behavioural problems.

Although a great deal more research needs to be done, there is already considerable evidence that mothers' drinking is having serious effects on babies. It seems very unfair on pregnant women—I am pleased to see the Lord Commissioner of Her Majesty's Treasury, my hon. Friend the Member for Watford (Claire Ward), on the Front Bench today—but it is a serious issue. Men do not suffer from the same problem, which is very unfair, but when women are seeking to become pregnant and during the early stages of pregnancy it is absolutely vital for them not to drink, because small foetuses do not have very large livers and they cannot cope with the alcohol. They are damaged by any alcohol that their mothers consume. There has been considerable obfuscation about this issue recently, perhaps deriving indirectly from the drinks industry, but the evidence is there.

I want to see supermarkets reined in and the price of alcohol raised in them. We heard earlier about the level of alcohol in particular drinks, so why not directly relate the price and tax levels to the amount of alcohol in the drink? That would help us to overcome the problem, as there would no longer be an incentive to buy cheap, strong cider as opposed to beer. The constituents of my hon. Friend the Member for Burton (Mrs. Dean) would no doubt benefit because beer sales would rise relative to those of cider.

I wanted to raise several further points, but I am rapidly running out of time. One other important point is the cost of alcohol to the economy. The Nuffield Council on Bioethics has estimated the cost of alcohol-related problems in Britain at about £20 billion a year—a vast sum of money, which we should be spending on things other than the effects of alcohol.

I recently returned from a Select Committee visit to Washington in America. We were there for Hallowe'en and it was a real delight to see hundreds and thousands of young people in the streets in fancy dress; they were all completely sober because they are allowed to drink alcohol only when they are 21. That is rigidly enforced with fierce penalties for drunkenness. Anybody who looked vaguely in their mid-20s was checked before they went into a bar to be served alcohol. They take alcohol very seriously indeed in the USA. I do not necessarily admire everything America does, but it is right about that. I suspect there would be a riot if we tried to go as far as the Americans do in these matters, but we should move in that direction and take the problem more seriously. There are hundreds of thousands and possibly millions of people in Britain who are suffering to some extent from alcohol problems. We ought to face those difficulties properly and not tinker at the edges, which is what we have been doing up till now.

I was chair of the all-party parliamentary group on alcohol misuse for five years, and year after year we asked Ministers to bring forward their proposals for an alcohol strategy. However, year after year we were made promises that were not fulfilled. We are now starting to do something about it, but we are still taking it far too lightly. I think that we need to take much stronger action.

I refer Ministers to the correspondence I recently received from Alcohol Concern—I will continue to correspond with the organisation—about the role of relative prices in respect of alcohol problems. I would like to see my Front-Bench colleagues take the issue more seriously and take action that is commensurate with the seriousness of the problem.

3.13 pm

Mike Penning (Hemel Hempstead) (Con): May I state from the outset that a very sensible debate has taken place for the last hour or so? I would like to start with some comments on the contributions so far. It is a pleasure to follow the hon. Member for Luton, North (Kelvin Hopkins), who brings a wealth of experience from his previous chairmanships. I, too, believe that there is an important debate to be had about the damage caused to foetuses from alcohol. That is so important that we should have a separate debate on it. I completely agree with the hon. Gentleman that an educational process needs to take place throughout the country, not least in pre-natal classes.

The hon. Member for Burton (Mrs. Dean) defended the brewing industry fantastically well. Perhaps I should declare an interest at this stage in that I occasionally feel the need for the odd pint of Burton ale, even though my preference is for Guinness. I declare that interest at the outset. What concerns me slightly, however, is that the decline in pubs and pub sales is not just about beer but about what goes on in pubs. The sale of cider, for instance, is a bit of a fad at the moment and should not be addressed in the same way as the sale of beer.

I congratulate the hon. Member for Barnsley, Central (Mr. Illsley), whose letter, I believe, prompted the debate. I know that he raised this important issue at Prime Minister's Question Time the other day. If we are not careful, we will no longer have the great British pub where we can go and have a beer and enjoy a social life, which is very worrying. So many people come to this country and talk about our pubs, but a frightening number of pubs have closed over the past 20-odd years.

My hon. Friend the Member for Southend, West (Mr. Amess) brought a wealth of knowledge to a typically robust speech from his experience of representing a seaside town. Having lived in that seaside town for some 15 years myself and served as a fireman in the area, I can tell the House that the knowledge gained from living in a seaside town outranks any other. Southend needs day trippers, but I think it wants to keep only some of them.

My hon. Friend the Member for Selby—*[Interruption.]* I apologise. The hon. Member for Selby (Mr. Grogan) now represents the all-party parliamentary beer group. My hon. Friend the Member for Ribble Valley (Mr. Evans) represented it for many years, but clearly the hon. Gentleman has ousted him. That event must have been a sight for sore eyes. I understand that the hon. Gentleman represents the beer group very well. Apparently I am a member of it, although no one told me. *[Interruption.]* That is quite nice; I shall be along later.

I meant to refer not to the hon. Member for Selby but to my hon. Friend the Member for Shipley (Philip Davies), who has a wealth of experience in the retail industry and defends his position very well, although I disagreed with most of what he said.

The hon. Member for Bath (Mr. Foster) made some extremely important points, not least in defending his figures to the Minister but also in making it clear that if we really want localism—which, I think, is the way politics has to go in this country—we must respect the elected local representatives and trust them to run their areas in the way they feel is appropriate. It was right to give them more powers to look after licensing and invoke what local people want.

Having declared my personal interest in the odd pint, I think it important to add that social, sensible, safe drinking is part of the British culture and something that we want to encourage and keep going. I fully recognise the danger that the minority will spoil things for the majority, but we must not underestimate the damage to the nation's health that is caused by alcohol. Although I agreed with much of what the Minister said, I believe that the Government are sending mixed messages. One example is, of course, the legislation allowing 24-hour licensing.

As the hon. Member for Barnsley, Central pointed out, very few public houses allow 24-hour drinking—only 460, I believe. However, plenty of off-sales establishments open for 24 hours a day, and the problems that that causes have been raised. A new fad has developed in drinking. I have observed it for myself when I have been out on patrol with my local police, and, sadly, I have seen the results in local accident and emergency departments, as well as in the A and E departments around the country that I have visited in my new capacity.

The practice is commonly called pre-loading. Young people aged 18, 24 or 30 get half-cut before they go out, and they do it on very cheap alcohol. One of the excuses is that when they reach the pubs and clubs they find the alcohol very expensive. The hon. Member for Barnsley, Central mentioned the £10 litre bottle of vodka. Shortly before the debate started, I asked in the Library what the duty and VAT on that would be. The answer was £9.31. Someone is losing an awful lot of money, and I do not believe it is the distillers, because they tell me that they are not. Somewhere along the line, there is an encouragement to sell alcohol very cheaply. In what are often large supermarkets that are open very late there is an encouragement not just to sell booze cheaply—the supermarkets would go bust very quickly if that were the case—but to get the footfall in the store and to encourage people to purchase other products while they are there; this is a loss-leading practice. While it is not for any Government to tell Tesco, Asda or Sainsbury's how to run their supermarkets, they have a moral responsibility to this country, and selling alcohol so cheaply—sometimes, sadly, to under-age people—is morally wrong.

The cost to this country is not just to do with fashion, or some of our town centres being no-go areas at night, or our pubs changing. There is also the cost to the NHS and the cost to the health of the people of our country. The estimated current cost to the NHS of alcohol misuse is £1.7 billion, while at the same time we have hospitals and accident and emergency departments around the country closing. How much better could that money be spent within the NHS?

Sadly, last year some 4,000 children—under-16 year olds—were treated for alcohol misuse. Those Members who go out on patrol in their constituencies with the police will have seen those children. They are the same age as many of our children. I went along with the police recently and they found a young lady lying on the local village cricket green. She was lying next to a bottle of vodka and several bottles of alcopops. There was no one else in sight because they had seen the police coming, but she was out of her brains so they left her. It was very dark, and if we had not seen her she would have lain there throughout the night unconscious from alcohol, and if she had vomited she would almost certainly have died. That shows that this is such a serious issue that we cannot just leave it alone and say, "This has nothing to do with Parliament and Government." It is a fundamental role of this House and Government to do something about that. Violent crime is a matter that all Members have experienced in their constituencies. It is one of the subjects that people come to my surgery to talk to me about the most; it is one of the biggest worries of my constituents. Half of violent crime is alcohol-related.

May I defend some of the staff in the pubs and clubs of this country? According to the figures I have, 83 per cent. of assaults on bar and club staff are the result of their having said, "No"—that is, they are the result of them having done their job. I completely agree with Members who have said that the way forward is for the penalties for those trying to purchase alcohol in such circumstances to be as great, if not greater, than for those who sell it, because that is a big problem. Those who buy alcohol covertly for others, and those parents—I say this as a parent—who happily let their children go off to parties with half a bottle of vodka, should think about that; they should think about the damage they do to their families and the future of this country, because we know that addiction to alcohol often leads to addiction to other things.

I therefore urge the Government to examine their drug strategy. Drug strategy units do fantastic work, but every time I visit one of them anywhere in the country the people who work there say to me that they cannot do their job without help from the Government to address the alcohol problems in the country. We cannot address drugs in isolation. We must deal with drink and drugs together, educate the community, and give the necessary powers to the people who are doing the work for us, so that we have a better society to live in.

3.23 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I agree very much with the hon. Member for Hemel Hempstead (Mike Penning) that this has been a sensible and important debate. Frankly, it could have degenerated into a shouting match, with Members screaming at each other and trying to score points, but all Members have made intelligent contributions and tried to deal with the problems we face.

I will not be able in the few minutes I have left to me before 3.28 pm to reply to the points that have been made in the depth that I think many Members would

[Mr. Vernon Coaker]

like. I therefore propose to read the *Hansard* report of the debate and, with my officials, to compose letters to send to every contributor answering the specific points they have made. They may not agree with the response, but I shall send one that tries to deal with all the issues that have been raised, and I hope that is acceptable to hon. Members. If I do not take that approach, I shall simply not be able to address many of the points raised and, given the quality of the debate, people deserve a better response than that.

We try to work with everyone on this matter. Considerable debate takes place with residents, the police, the industry, pubs and clubs, the off-trade, the on-trade, health groups and voluntary organisations, and I thank them all. One of the themes running through this debate, and one of the fundamental underpinning principles of the "Safe, Sensible, Social" alcohol strategy that we published in June, is that there is not just one solution. Alcohol poses different problems: the problem of children consuming alcohol; the problem of binge drinking, which usually is discussed in terms of 16 to 24-year-olds, but let us discuss it in relation to 18 to 26-year-olds to keep things legal; and the harmful effects of alcohol on people who drink considerable amounts—they may be of any age. Unless I have misunderstood the comments that have been made, I think any strategy worth its salt must address the different needs involved.

The hon. Members for Bath (Mr. Foster) and for Hemel Hempstead mentioned the importance of local people. They will know that the alcohol strategy includes a requirement for each area to produce a local alcohol strategy to try to address the particular problems that it faces.

Several hon. Members mentioned that not only is it illegal to sell alcohol to under-18s, but it is illegal for someone under 18 to try to purchase it. Some of the rebalancing that my hon. Friend the Member for Barnsley, Central (Mr. Illsley) discussed is important in this regard. Both he and the hon. Member for Hemel Hempstead touched on 24-hour licences. Although this issue makes a good debating point for people, the reality is that only 0.5 per cent. of all licensed premises—5,100 premises in England and Wales—have a 24-hour licence.

A huge number of other points were raised, not least of which were the need for a cultural change, cited by the hon. Member for Southport (Dr. Pugh); people's concerns about pricing and promotion in supermarkets, which we are examining; and the whole social responsibility standards agenda, which we know we need to implement. I have only a few seconds left available to me, and I have not been able to do justice to all the contributions. I reiterate that I shall write to all hon. Members in response to the points that they have made. They may wish to enter into a written dialogue with me or meet me. I include my hon. Friend the Member for Selby (Mr. Grogan) in that, in respect of the all-party group on beer—

It being one and a half hours after the commencement of proceedings, the motion lapsed, without Question put.

Fisheries

3.28 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I beg to move,

That this House has considered the matter of fisheries.

I am pleased to open my first fisheries debate. *[Interruption.]* We will be talking about pollocks later on. As in previous years, it is helpful that this debate is taking place before the December Fisheries Council, because it gives Members an opportunity to comment on behalf of their constituents, so I can take those comments with me to the negotiations. It also gives me a chance to highlight some important fisheries management issues that have arisen during the past year.

First, I am sad to report that 10 fishermen lost their lives this year. That is a tragic reminder of the very real dangers of their way of life, and I am sure that I speak for the whole House when I say that our hearts go out to all the families who have suffered such tragic losses.

The fisheries sector continues to make a significant contribution to the UK economy. Total landings of fish from UK vessels have increased for the second year running. Their value rose to £610 million last year—up 7 per cent. on 2005. The increase was shared across the UK and was mainly accounted for by an increase of almost a third in the value of the shellfish sector. Figures show that species such as crabs and lobsters are growing in value as a proportion of the total UK catch.

Andrew Miller (Ellesmere Port and Neston) (Lab): I am pleased to be the first to intervene on my hon. Friend in his new role. He is aware of the importance of the shellfish sector in the Dee estuary, where we are expecting a regulating order soon. Will he assure me that his Department will put every effort into producing that order, because there will be a record harvest next year, which will leave the door open for black marketeers? We want the investment to go to legitimate fishermen.

Jonathan Shaw: My hon. Friend has raised this issue with me on behalf of his constituents. I will look into the matter of the order, because he is right: we want to stamp out illegal fishing and I shall deal with that issue later in my speech.

There has been a decline in the value of landings such as mackerel and cod. However, I am pleased to report that the value of exports of fish and fish products has also risen—up to £944 million last year. Fishing provides employment for some 13,000 fishermen, around 18,000 people engaged in the processing sector and many more in ancillary businesses.

As well as providing economic revenue and employment, fishing is an important food source. It is part of our heritage, and it is of social and cultural importance, contributing both to rich and sustainable environments and traditional livelihoods. During the visits that I have made to fishing ports, I have been struck by the importance and relevance of fishing to local communities. Unsustainable fishing activity, however, can damage our marine ecosystems, threatening the very resources on which fishermen, our many sea anglers and others depend. It is vital, therefore,

that all stakeholders work together to achieve sustainability, thus safeguarding the marine environment and the fishing way of life for generations to come.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I am glad that the Minister recognises the need for sustainability. To that end, will he pay tribute to the lead taken by Scottish fishermen in the technical measures that they introduced to reduce the impact on cod fisheries to allow the cod to recover, as is now happening?

Jonathan Shaw: Absolutely. We have been working across the sector and the voluntary real-time closures that have been proposed by the Scottish Fishermen's Federation are welcome. We now need to see the proof and the outcome. We have also put in place other measures, which I shall mention later.

Mr. Mike Weir (Angus) (SNP): Is the Minister aware that the EU is still proposing a reduction in days at sea for Scottish fishermen, despite the fact that they are reckoned to be the most environmentally friendly fishermen in Europe? Will he resist the call for a reduction at the Fisheries Council?

Jonathan Shaw: The hon. Gentleman will be aware that a UK position has been agreed with all my colleagues. We will put forward a range of different measures, rather than the crude cuts in days at sea. If fishermen are taking responsible action—as the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) reminded us—some recognition of that is necessary. That is the way forward—

Mr. David Drew (Stroud) (Lab/Co-op): Will the Minister assure me that any decision will be based on sound science? Given that at the moment the science on recovery of cod stocks is at best unclear, every precaution must be taken so that we do not rush back into overfishing, because of the damage that it has done in the past and would do in the future.

Jonathan Shaw: My hon. Friend is absolutely right. All our negotiating positions for the December Council meeting will be based on science. We receive the science from the Commission and from our own scientists, both in Scotland and in the Centre for Environment, Fisheries and Aquaculture Science. It is right to base our decisions on science and sustainability. What we all want is fish today and fish tomorrow. That is important for conservation and for the industry.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the Minister accept that haddock is a sustainable fishery? If he does, can he explain the answer that he gave to my hon. Friend the Member for Lewes (Norman Baker), who asked him about companies who have contracts to supply his Department with fish? The Minister answered:

"On a particular day, not Friday, they"—

the people from the Department for Environment, Food and Rural Affairs sites—

"will offer their customers the opportunity to sample, sustainable white fish alternatives to Cod and Haddock".—[*Official Report*, 15 November 2007; Vol. 467, c. 337W.]

I can see the arguments with regard to cod, but does he accept that bracketing haddock with cod was somewhat unfortunate and will he look again at that answer and clarify it?

Jonathan Shaw: I am grateful for that intervention. In my reply to the hon. Member for Lewes (Norman Baker), I sought to demonstrate that there are alternatives to cod and haddock. For far too long, the nation has had a limited diet when it comes to fish. As I said in Question Time this morning, red gurnard is a species that used to be discarded but is now proving very popular. It is so mainstream that it is being served on High Speed 1, so people can eat that wonderful fish while enjoying the wonderful Kent countryside on the wonderful new line that this Government have developed. *[Interruption.]* I should have said, "this wonderful Government".

There has been a concern that, while haddock are being sought, cod get caught up in the nets. Importantly, a new net has been developed in America that catches haddock but allows cod to escape. That relates to what hon. Members were referring to earlier. There will be trials of the new net, which is called "the eliminator". I am not sure that that is the most appropriate name, but we are stuck with it. I do not know whether it comes from California. The net has won a number of prizes in America. We will all take a great interest in the trials, which will take place in the North sea.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): On the sustainability of cod, does the Minister accept that 95 per cent. of the cod consumed in this country is imported from waters off the Faroes, Norway and Iceland? That is a sustainable fishery. It is only the cod over which he and his EU colleagues have control that is not sustainable.

Jonathan Shaw: The hon. Gentleman makes a good point. I will talk later in my speech about the amount of fish that we import.

I want to outline some of the primary elements of our work over the past year to get us closer to achieving sustainability. This year, we have focused on developing a long-term strategy for sustainable fisheries—Fisheries 2027. I launched our vision in October this year and it sets out what we want to achieve. It will drive reform and provide a clear framework to steer the future direction of our policies.

Achieving sustainability is not just something for the Government, however, and it is not something that can be delivered overnight. Stakeholders have welcomed our vision and the leadership that it demonstrates. We are developing a shared implementation plan with people across the sector—fishermen, anglers, processors, retailers, customers and environmental groups—to turn our words into delivery, so that we can achieve sustainability together. We have a shared desire to achieve sustainability and a shared responsibility, locally and globally. We have a long way to go with this ambitious agenda, but the Government are committed to it and to playing their part.

Working collaboratively is vital if we are to realise the changes that we want to achieve. I am pleased that fishermen have been working closely with scientists through our fisheries science partnership. That has built

[Jonathan Shaw]

up trust between often sceptical fishermen and my scientific advisers, leading to improved fisheries research overall. There are other examples of such activity: for instance, earlier this year fishermen and anglers worked collaboratively to draw up the recreational sea angling strategy that I published for consultation this morning.

To achieve sustainability, we need to build stocks. We must also put the right regulatory framework in place, both domestically and at the European level, to enable the fishing industry, sea angling businesses and others who depend on this vital resource to operate efficiently, profitably and in an environmentally responsible manner. We need a clearer, simpler and more transparent rights-based system for accessing fisheries, and we must make sure that the economic and social benefits from fishing, whether commercial or recreational, are shared fairly.

At a European level, we want the 2012 reform of the common fisheries policy to result in a decisive break with micro-management from Brussels and a major shift in long-term management plans for key stocks. We want the fishing industry and other stakeholders to be more fully engaged in the regional advisory councils, which need a more central role. We want a dramatic reduction in the number of annual decisions and in the volume of EU legislation. In addition, we need to make sure that our policies do not result in unintended negative impacts such as the tragic discards of North sea cod about which we heard this morning.

To achieve all those things, however, we need to work closely with our European partners so that we tackle the challenges together. We also need to work collaboratively across the UK, as we will have much more influence and be more effective in delivering real reform if the UK speaks with one voice.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Does the Minister agree that it would be easier for him to make his case at the top table in Europe if he had the ally of an independent Scotland sitting shoulder to shoulder beside him?

Jonathan Shaw: If the policy of the hon. Gentleman's party is to pull out of the CFP, he will not be at any table. As the UK representative, I work with the Administrations of Scotland, Northern Ireland and Wales and, after a very good process of negotiation, we have agreed our position.

Mr. MacNeil: Does the Minister perhaps feel that Scotland would be better off going toe to toe with the EU, as Norway does, as opposed to having to take part in horse trading afterwards?

Jonathan Shaw: Members of the EU cannot pick and mix their policies. They cannot say, "We'll be part of this but not part of that." Signing up to the EU means signing up to all of its policies, so leaving the CFP would mean leaving the EU. However, as long as there is a UK Government, we will work with our partners and allies to develop a new CFP with much more effective regional councils. To achieve that, all member states must work together.

We must not try to manage fisheries in isolation. We are bringing forward proposals for a marine Bill that will give us the modern, streamlined, forward-looking management framework that we need if we are to achieve sustainable marine development. The proposed legislation will streamline regulation and make our marine laws more effective. It will provide the better, smarter, clearer regulation that fits with the Government's broader policies of good regulation.

The integrated package of measures in the marine Bill will include proposals for a system of marine planning, as well as stronger arrangements for protecting marine nature and a streamlining of the process by which marine works such as wind farms are licensed. The Bill will also set out proposals to reform the sea fisheries committees and make them responsible for inshore fisheries management. The reform will be underpinned by a shift towards an ecosystem-based approach to fisheries management.

In short, the Bill will provide much better co-ordination between the management of new systems and those already in place, with a stronger focus on sustaining our marine resources.

About two thirds of the fish that we eat is imported—a fact referred to by the hon. Member for Scarborough and Whitby (Mr. Goodwill)—so we have a responsibility to contribute to the sustainability of fisheries globally. We are therefore leading global efforts to stop illegal fishing, which is a major threat to the sustainable management of fish stocks, and to biodiversity. It also threatens the livelihoods and basic food supplies of coastal communities. Illegal fishing is valued at $1 billion a year in sub-Saharan Africa alone. The Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), and I are working closely with businesses to address environmental issues and develop work on those concerns.

The work on illegal fishing follows on from the very good progress made by the Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), who was an excellent Fisheries Minister for a number of years. He championed that cause in his role as chair of the high seas task force. As the UK leads on the issue, I highlighted the importance of addressing the problem at the recent ministerial meeting on illegal, unreported and unregulated fishing in Lisbon. I underlined the important role of UK fisheries, and retail and processing companies, that are developing systems to trace food from trawl to plate. In the European Commission we are championing seamless systems, such as those used by Young's Bluecrest in Grimsby, so that minimal regulatory burdens are created when we regulate to prevent illegal fish imports.

Mr. Austin Mitchell (Great Grimsby) (Lab): I echo the Minister's praise for Young's, a firm of which we in Grimsby are very proud. The principles of traceability and sustainability are embodied in the new Great Grimsby range of fish products. All other fish fingers are now made in Germany by Birds Eye. At the party conference, our party leader praised the principle of British fish fingers for British consumers.

Jonathan Shaw: No one will disagree with my hon. Friend. He is absolutely right: British fish fingers are now made in Grimsby. I know that my hon. Friend is retiring from the House.

Mr. Mitchell: No.

Jonathan Shaw: Oh, he is not. That was clearly a fisherman's tale, then. Birds Eye now produces fish fingers in Germany; perhaps Young's needs a figurehead to promote Grimsby fish fingers, and I can think of no one better to display on its boxes of fish fingers than my hon. Friend.

Before I report on our priorities at the December Fisheries Council, I should like to mention other matters of importance, and to state what progress has been made this year. Many of our stocks remain in a fragile state, but there are signs of recovery. For the first time in eight years, the International Council for the Exploration of the Sea—ICES—has advised a non-zero catch for North sea cod. That is because fishing mortality has reduced to lower than precautionary levels, allowing the size of the mature stock to rebuild relatively rapidly to above the biologically safe level of 70,000 by 2009.

The improved situation has been achieved in part by the 2005 year class of cod approaching maturity. Importantly, because we have managed to cut the fishing pressure on cod, it is now at about 50 per cent. of its peak level, and is at a level that ICES terms "sustainable". I shall return to that issue in the context of the forthcoming negotiations, but I highlight it now to demonstrate the action and responsibility that stakeholders across the sector have taken and the genuine sacrifices that people have made to achieve long-term sustainability. That joint action in pursuit of a shared goal was demonstrated in March, when stakeholders worked together to find more effective ways to assist the recovery of the Community's cod stocks. That is indicative of the increasing role that stakeholders are playing in fisheries management.

We still have a lot to learn from fishermen and other people closely involved with the domestic fishing industry. The UK championed the establishment of regional advisory councils in the last round of common fisheries policy reforms in 2002, and the councils are now beginning to bear fruit in developing practical ideas to improve fisheries management. A significant number of recommendations made by regional advisory councils on, for instance, the cod recovery plan, the future of the Shetland box and the management of bottom gill nets have all been embraced by the Commission, member states and the fishing industry alike.

Stakeholders across the sector have shown leadership, and have taken action to improve the sustainability of fisheries. I am delighted that an industry-led shellfish strategy was published earlier this year, setting out a framework for achieving a sustainable and profitable shellfish sector. The next step is implementation and making a real difference on the ground. I am pleased that the industry is approaching that with equal vigour. I wish it every success, and I will help where I can to achieve those outcomes. The industry is involved with our science programmes to establish trust and a shared understanding of fish stocks. In particular, the fisheries science partnership brings together fishermen and scientists to address a range of problems. This year's programme includes: putting bottom panels into the nets of south-western beam trawlers to release unwanted by-catch and improve the quality of the fish; looking at the survival rates of rays caught and released in the Thames and the Bristol channel; and plotting the distribution of cod across the whole of the North sea. Most importantly, a series of projects around the coast have been used to monitor the state of particular stocks, and for the first time the data generated have been used in international stock assessments, thus directly contributing to more effective fisheries management. I thank everyone involved in those projects.

Balancing the opportunities to catch fish with the available resource is one of the biggest challenges for fisheries management. There is a particular challenge this year—the quota available for vessels under 10 m in length and the creation of a sustainable inshore fishing fleet. That will require action in both the short and the long term. I have met a number of hon. Members and their staff to discuss the issue. I have spoken to many of the under-10 m fleets, and I am pursuing proposals for next year.

Andrew George (St. Ives) (LD): The Minister mentioned the positive and constructive role played by the industry in initiatives such as regional advisory councils and through other means. He will know that the Trevose closure off the north Cornish coast is entering its third year. Has he had an opportunity to review the success of measures such as closed areas, as opposed to a continued dependence on quotas? There is significant concern about the problem of discards, and it is not possible in the present scheme to distinguish between an intended and unintended over-quota catch.

Jonathan Shaw: The hon. Gentleman is right. We need to look at closures, as I suggested to hon. Members representing Scottish constituencies. If the councils can develop and mature, closures will take place to ensure that juvenile stocks are avoided. That is how we should reform the common fisheries policy, rather than undertake a rather crude cut in days at sea. That will certainly be part of our negotiating position on North sea cod in December. More widely, that is how we want the CFP to develop, and we will be actively involved in such measures.

Mr. Goodwill: I thank the Minister for his generosity in giving way again. Given what he said about learning from skippers and people in the industry, has he, like me, had the opportunity to go out with a potting vessel inshore, or perhaps deepshore for white fish, to see at first hand the associated problems and the discards going back into the water?

Jonathan Shaw: I regret that since my appointment, I have not been out on a fishing boat. The hon. Gentleman will appreciate the price of fuel and the fact that boats are often unsure how long they will be out. In his constituency, fishermen are rather reliant on the weather. However, a number of my officials have made trips on fishing vessels. I have visited a range of fisheries across the UK and it is my intention, after I have dealt with the Fisheries Council in December, to go out on a fishing vessel next year. Perhaps that will be off Scarborough. *[Interruption.]* The hon. Gentleman says that he will bring the seasickness tablets. I am very grateful.

Our seas support a wide range of productive ecosystems that sustain extensive fishing industries as well as tourism, angling, diving, boating and other activities. We need to conserve these ecosystems to provide rich resources today and for future generations.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Minister is right to highlight the rich and diverse ecosystem for which he is responsible. In my constituency we have an invasion of signal crayfish, an American type of crayfish that is driving out white crayfish—the British crayfish. As I understand it, permission for the introduction of that species was given by the Environment Agency. Should we not be very cautious when we allow non-native species to be introduced because of the potential effect on the ecosystems that we treasure?

Jonathan Shaw: The hon. Gentleman makes an important point. I shall look into the matter that he has raised on behalf of his area.

The major event before the year end is, of course, the December Fisheries Council where total allowable catches and other measures such as setting days at sea for cod fishing will be decided for 2008. The European Commission recently published its proposals for the regulation that sets the limits for 2008. Given the poor status of some of the key stocks, it is likely to be a significant challenge to deliver the necessary stock recovery while ensuring the long-term viability of the European fleet.

Following the EU's negotiations with Norway, we agreed the TACs for several North sea species, including a cod TAC increase of 11 per cent., to which I referred this morning. This is a significant step, but only one step, in helping fisheries managers to reduce discards. We need to look at more innovative and creative ways to avoid catching too much cod in the first place. The UK is committed to reduce discarding in fisheries that catch cod. The UK is piloting a number of measures to that end, such as the voluntary real-time closures pilot in Scotland, which I have mentioned.

Andrew George: Will the Minister give way?

Jonathan Shaw: For the last time. Many other hon. Members wish to speak.

Andrew George: I shall be quick. Given that in the western approaches the quota of cod was caught in the early autumn, it is clear from the recruitment and mortality rates that cod stocks are recovering. Will the Minister bear that in mind when he is negotiating in Europe? It is clear to the fishermen in the south-west that the quota does not match the health of the stock.

Jonathan Shaw: As the hon. Gentleman knows, I have visited the south-west. I have not yet been to Newlyn, but I have been to Brixham. Many fishermen there tell me that they have had a very good year, not least for catching alternative fishes. Cuttlefish in particular have sold well. It is interesting that they are exported. When we go on holiday to Spain and other countries we eat cuttlefish there, but we do not seem to eat it in this country. I take the hon. Gentleman's point. In all these matters we need to balance conservation and ensuring that the fisheries are viable. I have said throughout my speech that we need to engage with the fishermen, but there need to be partnerships with the science as well.

The UK managed also to prevent too large a cut in the amount of haddock available to fishermen. This is important because, if we are to encourage fishermen not to catch too much cod, they will need other stocks to fish. We were also successful in limiting Norway's proposed 80 per cent. cut in the TAC for whiting to a 25 per cent. reduction. That was a reasonable outcome, given the uncertainty in the scientific indicators for this species.

We supported the Commission in seeking to limit the extent of the cut in the herring TAC in line with the unanimously agreed pelagic regional advisory council position, and we regret the fact that Norway was unable to accept that advice. I am sure that the Scottish National party Members heard that; Norway does not always get it right.

I have jointly agreed with Michelle Gildernew, Richard Lochhead and Elin Jones, my colleagues in the devolved Administrations, the UK priorities for the December Fisheries Council. Those include resisting further blunt cuts in days at sea in favour of more focused management measures designed to reduce fishing mortality, such as real-time closures, increased use of more selective gear and new incentives to avoid catching cod. Those appropriate options are currently being discussed with UK industry.

We will also seek to ensure that there are no cuts in total allowable catch for stocks in respect of which the Commission's justification is simply that the quotas have not been taken up in previous years; unused quotas are not necessarily indicative of reduced availability, but often reflect fishermen's reactions to varying market conditions for particular stocks. We need to maintain that potential flexibility.

As I mentioned earlier, the scientific work undertaken in collaboration with the industry is bearing fruit, and we intend to deploy the latest material to support our case when it suggests that the advice of the International Council for the Exploration of the Sea is not sufficiently current. I am also pleased to report that, following concerted pressure from the UK—in particular during our presidency—the Commission and ICES have developed an improved timetable of scientific advice and consultation in the run-up to December's meeting. From next year, ICES will release its scientific advice in July, thereby enabling earlier publication of proposals by the Commission. That will allow more time to consult the regional advisory councils and other stakeholders, and to influence the Commission's formal proposals. That is clearly a welcome development.

I am pleased to have made my first address in this fisheries debate and to see so many Members here. I look forward to hearing their contributions.

4.1 pm

Bill Wiggin (Leominster) (Con): I pay tribute to the brave fishermen who have lost their lives in the past 12 months. We should always remember that fishing is a dangerous occupation; sadly, fishing families and communities suffer terrible tragedies. I also pay tribute to Fishermen's Mission, whose badge I am wearing—that unique charity, founded in 1881, deserves our thanks.

I welcome the Minister to his new role. We all know about the importance of science in fisheries, but in the next five years the Government will cut the minimum

budget for the Centre for Environment, Fisheries and Aquaculture Science from £30.9 million in 2008-09 to £28.8 million in 2012-13.

Jonathan Shaw: I am grateful to the hon. Gentleman for providing those statistics. He will be aware that we have agreed 10 years of funding for CEFAS; that has never happened before. It is essential that science has long-term stability. We have worked with our scientists at CEFAS to ensure that there is long-term sustainability for all the important work that they will undertake—rather than things being decided year by year, as under the Tory Government.

Bill Wiggin: So the Minister does not dispute the fact that he is cutting the budget.

Despite the important role of the Marine Fisheries Agency for fisheries management, the Minister has not outlined what its funding will be for the 2008-09 to 2010-11 comprehensive spending review period. He has said warm and welcoming words about CEFAS, but the same has not been done for the Marine Fisheries Agency, which is already under pressure because the 90 per cent. target for entering information into the fisheries database within five days is only just being met.

The Minister also needs to confirm that the demands for the forthcoming electronic recording and reporting requirements are met. Like CEFAS, the MFA needs financial stability to function and meet its targets. If the Government cannot provide it, I suspect that our fisheries will suffer.

The questionable financial management of the Department for Environment, Food and Rural Affairs means that in forthcoming years the number of Royal Navy fisheries protection service patrol days has been slashed. Between 1997 and 2006 there was an annual average of 981 days provided by about 10 different vessels—Hunt class, Island class and River class. Under the new contract, which begins in April 2008, only three River class offshore patrol vessels have been contracted to provide 700 patrol days in 2008-09, potentially reducing to just 600 patrol days in two years' time. By comparison, this year, the three River class vessels provided 620 days, complemented by the further 225 patrol days provided by the other five Hunt class vessels. Moreover, there were some 41 days when there were no River class vessels on task, and a davit fault resulted in all of them being recalled for five of those days—from 15 to 19 June. Should that happen again, no enforcement vessels will be available at all, and the House will understand that no fisheries policies are workable without adequate enforcement.

We should be proud of the officers of HMS Severn, who have had several successes, including bringing the Belgian trawler De Marie Louise to justice for under-recording catches of plaice and using blinders illegally to catch 4,000 undersized sole. They have also boarded the French stern trawler, Saint Jacques II, in the North sea, leading to a successful prosecution for misrecording cod as black sea bream. Of course, we need to work with the industry and our foreign counterparts to improve enforcement, but I warn the Minister about relying on just three vessels to patrol 80,000 square miles.

Most European Union countries will soon start to receive their European fisheries fund moneys for 2007 to 2013, because they are likely to have had their operational programmes approved by the Commission by the end of this year. Some £97 million of that money is available to the UK fishing sector to help our fishing industry to grow and become more sustainable and environmentally friendly. So how is DEFRA getting on with delivering it? The autumn 2006 edition of "Fishing Focus" declared that the operation programme would be developed by this time last year. In its most recent business plan, DEFRA promised to deliver the EFF by April 2008. However, instead of the fishing industry looking forward to receiving that money in the new year, like most of Europe, no one will be able to access it because DEFRA proved itself unable to develop an operation programme, consult on it and submit it to the Commission for approval by the end of the year.

Last week, the Minister announced that an agreement had finally been reached with the devolved Administrations on the budget split, which he had blamed for the delay. The headline on the DEFRA press release read: "£97 million boost for UK fishing and seafood industries." The Scottish National party expressed its delight at having

"negotiated hard to achieve the lion's share of the UK's allocation of the European Fisheries Fund."

Yet by the Minister's own admission, the programme is unlikely to occur until late 2008. DEFRA has missed its own targets, will miss the Commission's deadlines, and now faces the risk of being fined by the Commission. The UK could lose almost €19 million of EFF allocated for 2007. At this rate, its delivery might even compete for incompetence with the delivery of the single farm payment.

Without doubt, one of the most important innovations that we need in order to manage our seas in a sustainable manner is the marine Bill. I pay tribute to my hon. Friend the Member for Uxbridge (Mr. Randall) for showing us the way with his private Member's Bill. Time and again, the Government promised that it was a key part of DEFRA's five-year strategy launched in 2004; time and again, they have failed to deliver. We were supposed to get a marine Bill in draft form two years ago. Then we were informed by the hon. Member for Exeter (Mr. Bradshaw), the then Minister, that there would be a "real" marine Bill in the current Session. Now we know that there is only a draft Bill pencilled in for the coming spring. Can the Minister give us a commitment that that legislation will be on the statute book before the next general election? I did not think so. *[Interruption.]* The Minister wishes me to give way; I will gladly do so if he can tell us when the general election will be. *[Interruption.]* Oh, he does not want me to give way after all.

DEFRA, the self-proclaimed

"policy custodian for the marine and aquatic environment",

is failing to live up to its name. What kind of policy custodian for the marine and aquatic environment fails to protect the pink sea fan of Lyme bay, which is supposed to be a protected species—protected by whom?—bans British vessels from pair trawling only to have foreign vessels lawfully come into our 12-mile limit and sweep up our bass while killing and wounding dolphins and porpoises, or plans marine protected

[Bill Wiggin]

areas that will apply only to British vessels? The marine Bill must be introduced as soon as possible, and its measures must be sound and robust. The Minister must press his European counterparts into accepting provisions that impact on fisheries.

The marine Bill must also deliver real reform to sea fisheries committees, which will mean ensuring that the nation's more than 1 million recreational sea anglers are involved in fisheries and marine management. In my party, we recognise the benefits that sea anglers bring to the UK. It is an industry worth £1 billion and 19,000 jobs, which is why I tabled early-day motion 468. We want to see bigger fish, and more of them. We want an end to discards, we want anglers to be given greater representation on sea fisheries committees, and most of all we want effective management that will deliver more and bigger fish.

In contrast, despite its spin, Labour has let sea anglers down. "Net Benefits" recommended that developing the inshore sector included the management of recreational sea angling interests. We were promised a recreational sea angling strategy by March last year, but it is being published only today, in December. Has the Minister realised that it will be difficult for Britain's sea anglers to trust Labour and take the RSA seriously, when he has already let down anglers over bass, or when his plans to introduce sea angling licences, bag limits and no-take zones could reduce RSA participation by 60 per cent., as was seen when similar measures were introduced in Portugal? We have heard it all before, and now, I suspect, the hon. Member for Reading, West (Martin Salter) will tell us it all again.

Martin Salter (Reading, West) (Lab): I thank the hon. Gentleman for giving way and for plagiarising a large section of my speech on bass minimum landing size. Will he confirm whether the Conservatives now support the introduction of a minimum landing size for bass? Yes or no?

Bill Wiggin: Will the hon. Gentleman confirm whether he is still Labour's spokesman for angling?

Martin Salter: Yes.

Bill Wiggin: If he is, how come he has not been given a job, despite doing that for 10 years? Is it not the case that nobody believes what the Labour party says about fishing any more? Part of the hon. Gentleman's problem is that he has been going up and down the country telling people that Labour cares about angling, when the reality is that it does not. I shall finish my bit on angling and tell him why he and his party have failed sea anglers so badly.

In the foreword to "Labour's Charter for Angling", the hon. Member for Exeter (Mr. Bradshaw), paid

"tribute to the close working relationship between Labour politicians and the world of angling."

He went on to comment that the Labour Government would be committed to the bass management plan, saying:

"It was anglers' concern for the conservation status of sea bass that has persuaded me to agree to implement much of the excellent bass management plan put forward by the Bass Anglers Sport Fishing Society."

In the introduction, the hon. Member for Reading, West wrote,

"angling representatives have direct access to government ministers and a voice in policy making. Labour has demonstrated by word and action that we are the most pro-angling political party in Britain."

What rubbish.

What actions have the Labour Government delivered to sea anglers? The reforms proposed in "Net Benefits" to

"review the evidence supporting arguments for re-designating commercially caught species for wholly recreational sea angling beginning with bass by the end of 2004"

were not developed. On bass specifically, Labour promised a minimum landing size, and it got the entire sea angling community's hopes up, including those of the hon. Member for Reading, West, only to disappoint them by postponing their plans at the last minute, completing the U-turn a few weeks ago.

Labour was so focused on introducing a minimum landing size that it was blinded to the other measures, such as netting restrictions and bass nursery areas, which the Minister is now claiming to be reviewing. Had DEFRA taken a comprehensive approach from the start—I hope that this helps the Minister—then, despite backtracking on the minimum landing size, other measures may have been implemented by now to protect bass stocks. Instead, sea anglers continue to be let down by Labour.

"Net Benefits" offered sea anglers hope with sentiments such as:

"Fisheries management policy should recognise that sea angling may, in some circumstances, provide a better return on the use of some resources than commercial exploitation."

Little progress was made on that and little is likely to be made with the new RSA strategy, which does little more than echo sentiments expressed previously about minimum landing sizes, protected areas and management plans. With its slowness to implement proposals and its discreditable handling of the bass minimum landing size, is it any wonder that DEFRA is the byword for incompetence?

Martin Salter: It is touching to hear a Conservative Front Bencher quoting from "Labour's Charter for Angling". If the hon. Gentleman had carried on reading it, he would have seen a section committing us to inshore netting restrictions and bass nursery areas. To give the Minister credit, he has committed himself to that aspect of the bass management plan. I could not have been more scathing in my comments about the decision to go back on a bass minimum landing size. However, I must press the hon. Gentleman again on where the Conservative party stands on that issue. It is all very well trying to make political capital out of it, but is his party in favour of it—yes or no?

Bill Wiggin: The hon. Gentleman had his answer—if he was paying attention. There are plenty of other things that he could have done with his job that the Minister could have done or that the Minister's predecessors could have done. However, they did not. They focused on bass minimum landing sizes, and then failed. [Hon. Members: "What would you have done?"] It is no good asking me what I would have done, for I was not in government. I hope that the hon. Member

for Reading, West was not trying to make political points but wanting to save bass. If that was his genuine concern, he would know that the bass management plan contained far more than just minimum landing sizes, none of which has been done. That is the problem that he has to face up to. He went round the country telling people that his prime concern was saving bass, and the evidence shows that the Government have done none of it.

The Minister may now be content to talk about nursery areas, but it is 10 years too late. What a shame that all that time has been wasted. When it comes to scoring political points, I suspect that it is the hon. Member for Reading, West who is doing so, with his passion for such things rather than delivering proper policy that would have been more useful for people who want to fish for bass. If he wants to intervene again and repeat the question, he is most welcome.

Michael Jabez Foster (Hastings and Rye) (Lab): The question asked by my hon. Friend the Member for Reading, West (Martin Salter) is one that my constituents in Hastings and Rye and under-10 m fishermen around the country will want to know the answer to. They will want to be sure that, should there be a Conservative Government, they will not go back on the Minister's wise decision to hold off imposing a size of bass that is different from that in any other European country. Is the hon. Gentleman in favour of the greater size or not?

Bill Wiggin: There is a genuine problem that I shall not be able to solve. The hon. Gentleman is trying to get me to commit to policy, which I shall not do at this Dispatch Box today, no matter how much I might like to. However, because his question is valid, I shall give him the firm assurance that, like him and his fishermen, we want a sustainable future for fishing. That means bigger fish and more of them. That is exactly what we want to deliver. I think that the Government have got it wrong, because bass should be allowed to spawn. If they are killed before they reach the length of 42 cm, that will not happen. I do not believe that the minimum landing size alone would have delivered that future for bass, but if we are taking the Bass Anglers Sportfishing Society's plan for bass management, we should have included the minimum landing size. That is not a straight answer, and I can only say I am sorry for that. I would not have started from this point, and that is why it is difficult. However, the hon. Gentleman's fishermen at home should be more than content with the knowledge that we want to deliver the future that they need, which they will get under a Conservative Government.

Does anyone else want to have a go on minimum landing sizes?

Andrew George: My point is not on minimum landing sizes, and I hesitate to intrude on the spat between the Conservative and Labour parties. However, the hon. Gentleman said that the issue had needed to be addressed for the past 10 years, and I agree with him. In order to reassure me that this is not merely political opportunism, because there is clearly a strong bandwagon campaigning in favour of sea anglers, will he reassure Members about what the Conservatives did to support sea anglers during their 18 years of custodianship—by giving them a seat at sea fisheries committees, for example?

Bill Wiggin: If the hon. Gentleman reads the early-day motion that I have tabled, he will find that very reassuring. We have called for strengthening of those sea fisheries committees.

Andrew George: What did you do?

Bill Wiggin: The hon. Gentleman asks what I did; I was not here 10 years ago. What a shame! Things might have been much better if that had been the case, but it was not—

Mr. Simon Burns (West Chelmsford) (Con): We did quite well without you.

Bill Wiggin: My Whip is reminding me that things went pretty well without me; I think I shall have to stop at that point before we get drawn into the benefits of history.

All the interventions miss a serious point. Surely, what we all want is better, bigger and more fish in our seas. Tragically, the Government are not delivering that. It is a great shame.

Let me consider the Commission's proposal for the December Fisheries Council meeting. The 11 per cent. increase in North sea cod is welcome. It means a welcome change for the fishing industry, especially after successive years of no-catch advice from the International Council for the Exploration of the Sea. If cod recovery continues, and new measures are taken to reduce mixed fishery by-catch, I hope that, next year, our fishermen can receive a greater reward for their sacrifices. However, it should also be noted that the ICES advice was for a 50 per cent. reduction on the 2006 catch.

Last year, I asked the then Minister whether he trusted the advice of the fishermen or that of the scientists. I am sure that hon. Members would like to know the Under-Secretary's position—fishermen or scientists?

Jonathan Shaw: That is precisely the problem. It is no good saying, "One or the other." It is essential to have the fish-science partnerships—people working together. Throughout my speech, I referred to people working together. Fishermen need that, and it ensures sustainability for the fishery fishermen and the conservation of stocks for tomorrow. The hon. Gentleman obviously did not listen to a word that I said. It is no good having a polarised debate. Fishermen know that and he should wake up and understand it.

Bill Wiggin: It is no good the Under-Secretary trying to give us lectures, because the evidence contradicts his comments. In the past 10 years, nothing has been done to heal the gap between what fishermen see and throw back and what scientists believe is there. That is a fundamental problem. *[Interruption.]* It is no good the Under-Secretary lecturing from a sedentary position, because he will ultimately have to make the choice. I look forward to his returning from the December meeting and announcing his successes or failures. If I were in his shoes, I would want the gap to close. I do not blame him for saying what he did, but I do not believe that he can support it with any evidence.

Mr. Weir: Far be it from me to give aid and comfort to the Government, but does not the hon. Gentleman accept that measures such as the real-time closures represent a major step forward in trying to bridge the gap between fishermen and science, which has dogged fisheries negotiations for so long?

Bill Wiggin: I agree that it is the right way forward. I should like much more to be done. We are not even close to closing the gap.

Mr. Weir: It is a start.

Bill Wiggin: Yes, but the hon. Gentleman must accept that the gap is still there.

Jonathan Shaw: Will the hon. Gentleman give way?

Bill Wiggin: I will in a moment—the Under-Secretary must keep calm. He has only just got the job. I cannot say, "Keep your hair on", but I can say, "Keep calm."

The hon. Member for Angus (Mr. Weir) made a valid point. The Under-Secretary is right that steps need to be taken. I would argue that not enough is being done, and that steps are not being taken fast enough or effectively enough.

Jonathan Shaw: The hon. Gentleman is getting on to a better footing after asking whether I agreed with the fishermen or the scientists. He has moved to a much better position. As the hon. Member for Angus (Mr. Weir) said, it is not a case of polarised positions. Polarisation is the worst thing to do. I am pleased that the hon. Member for Leominster (Bill Wiggin) has moved on. Does he accept that there will be no more "them and us" and that it is all about working together?

Bill Wiggin: I should love to believe the Under-Secretary and I am sure that he means well. However, we heard all that last time, and when the then Minister came back, he had arrived at a position somewhere between ICES advice and what the fishermen asked him to deliver. It is no good saying that one group is right or one group is wrong and landing somewhere in the middle. That has always happened in the past. The Government have compromised and delivered neither the scientific advice nor what the fishermen request. Let us see how the Under-Secretary gets on at the December conference. I wish him luck, but until the gap is closed, things will be difficult for him.

At the December Fisheries Council meeting, we hope that the Under-Secretary will impress on his European counterparts the importance of reform and change. Moreover, if the Government are serious about making a long-term difference, the Minister and his EU counterparts must get to grips with the problem of discards. The EU has estimated that 40 to 60 per cent. of fish that trawlers in the North sea catch are discarded. In the last quarter of 2006, the discard rate for North sea cod caught by English and Welsh vessels in the North sea was 43.8 per cent. The discard rate by Scottish vessels for west of Scotland haddock was 42.2 per cent., and that for west of Scotland saithe was 62.7 per cent. in the third quarter of 2006. A staggering 83.5 per cent. of west of Scotland whiting was discarded in the third quarter of 2006. That means that 246.3 tonnes were discarded but only 48.6 tonnes were landed. That is the scale of the problem and the harsh reality faced by our fishermen, bound by the rigidity of the quota system and some of the unsustainable management measures currently in place. The Minister is reported as saying:

"Throwing back...fish is heart-breaking"

and "immoral". However, unless he and his European counterparts have the political will to grasp the nettle, they will be the heartbreakers.

During last year's fisheries debate, I called on the Government to make 2007

"the year that discards are tackled."—[*Official Report*, 14 December 2006; Vol 454, c. 1059.]

So far, however, the progress needed to end this wasteful and environmentally damaging practice has not been made. The EU discard atlas, due to be completed by next year, has not even been put out to tender, and the Minister has admitted that it is

"not yet clear when it will commence."—[*Official Report*, 28 November 2007; Vol. 468, c. 513W.]

According to the European Commission's 2002 community action plan, discard pilot schemes were to be set up. There are two in the UK—one in the North sea and a joint scheme with Ireland in the Irish sea, which started only recently. However, as Ministers have admitted:

"Details of pilot projects undertaken by other member states are not available."—[*Official Report*, 18 June 2007; Vol. 461, c. 1431-32W.]

One is left wondering why there appears to be such an appalling lack of commitment and joint working on the matter.

The community action plan also indicated that the EU was planning to eliminate discards by 2006. That date has passed, but despite the Government's holding the presidency of the EU in the latter half of 2005, the best excuse that they could give was:

"There hasn't been the detailed analysis at Community level of the various options identified in the report that was anticipated."—[*Official Report*, 15 June 2007; Vol. 461, c. 1365W.]

Now the Minister's answer to the discard problem is to argue for an increase in quota. Of course we should argue for an increase in quota to support our fishermen when the stocks are available, but that is not a long-term solution to the problem of discards, and if the Minister thinks that increasing total allowable catches is the answer to discarding, he should apply that logic universally to all stocks, such as whiting and haddock, on which there will be further cuts this year. When are we going to get a coherent policy on discards from DEFRA? We believe that as long as Labour is in government, discarding will continue.

We also recognise that part of the solution to discarding and by-catch is to prevent the active 10 m and under vessels from running out of quota so early in the year. One of the most important challenges that the Minister faces is to ensure that they get a fair deal; but we have already had the "Net Benefits" report—almost four years ago—which advocated long-term strategic planning for the inshore sector. In "Charting a New Course" in 2005, DEFRA boasted of how it had already taken the advice of "Net Benefits" and

"set up a policy team responsible for coastal waters...including inshore management".

There is also the inshore fisheries working group, with which the Minister has admitted he has not discussed quota management. However, between 1998 and 2004, the number of 10 m and under vessels

registered in England and Wales fell from 3,342 to 3,004, while the total number in the UK has fallen from 5,474 to 4,979—a drop of 9 per cent. We have had all the talk from Labour, but no action and no long-term strategic management plan.

Michael Jabez Foster: I am encouraged by the hon. Gentleman's apparent support for the 10 m and under sector. I join him in that support. However, I want to be absolutely clear, so that there is no misunderstanding: is he prepared to say unequivocally that some of the over-10 m share should be redistributed to the under-10 m sector? Yes or no?

Bill Wiggin: It is so tempting to make policy on the hoof, but I am not going to do it. When we come forward with our proposals, they will be carefully considered. However, again to give the hon. Gentleman's constituents hope, there must be serious consideration of how just 3 per cent. of our national quota goes to 76 per cent. of our fleet. That cannot be right, and it is not sustainable. That is the best that the hon. Gentleman will get out of me today. Be assured of one thing, however: the issue has never been far from the front of my mind and it is one that we intend to tackle effectively in government, to the benefit of the under-10 m sector.

This year had barely begun when it became apparent that not enough quota had been allocated to the inshore fleet. Just 2 or 3 per cent. of quota had been allocated to 76 per cent. of the UK's fishing vessels. The Government do not even have a view on how much quota the sector should have or the fish that it should be landing. That sector should not be dependent on gifts, or on in-year and cross-year quota swaps. When asked whether DEFRA had estimated the value of the cross-year swap of 40 tonnes of area VII angler fish in 2007 to the south-west producer organisation in exchange for 40 tonnes of channel plaice in 2006, the Minister stated:

> "No such estimate has been made."—[*Official Report*, 25 October 2007; Vol. 465, c. 526W.]

When asked the reason why no estimate of the value had been made, he commented:

> "It is not feasible to undertake an economic analysis of the value involved in every swap undertaken."—[*Official Report*, 21 November 2007; Vol. 467, c. 866W.]

Common sense would suggest, however, that the value of the swap should be taken into consideration and should be among the primary factors considered, especially as, in this instance, the swap has cost the 10 m and under fleet some £300,000 in lost potential revenue, as angler fish are worth much more than plaice. The person in the Marine Fisheries Agency who made that decision did not seem to be aware of that or value it enough. Where was the long-term plan for the inshore fleet then?

The Minister may be relatively new in the job, but he needs to knuckle down and transform DEFRA—the Department that has become a byword for incompetence—because at the moment it is the barrier to sustainable fisheries management, when it should be providing the solutions. In recent years, we have seen non-stop consultations and publications from the Government, but a complete lack of action. We have seen wave after wave of documents and statements: "Net Benefits", "Securing the Benefits", "Charting Progress", "Safeguarding Our Seas", and the latest edition, "2027: a long-term vision for sustainable fisheries". The Government might talk about a vision for 2027, but the reality is that they have not even got a vision for 2008. They have dithered over bass, failed to develop the inshore fleet, failed to tackle discards, failed to deliver the European fisheries fund on time, failed to deliver sustainable marine management, failed to bring forward the marine Bill, failed to protect the pink sea fans of Lyme bay and failed to take the leadership role within Europe that we need. In typical DEFRA fashion, they have missed targets, broken promises and postponed deadlines. This is a complete catalogue of incompetence. Next year will be make or break time for much of the fishing industry. Reforms must be effective, fisheries must become sustainable and real change is needed. However, that change is not going to be possible under this Government.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before I call the next speaker may I say to the House that the eight-minute time limit on Back-Bench speeches applies from now on?

4.32 pm

Dr. Stephen Ladyman (South Thanet) (Lab): I have just heard the most extraordinary speech from the hon. Member for Leominster (Bill Wiggin). To summarise, he seemed to be saying, "Here's the problem. The Government must sort it out, but I'm not going to commit to saying whether I would sort it out if I were in government. On the one hand, the Government should do this, and on the other hand, they should do that, but I'm not going to choose between the two." I can only assume that the hon. Gentleman's conversion to Liberal Democracy is imminent.

I want to take a few minutes of the House's time to talk about the under-10 m fleet and, in particular, the under-10 m fleet that sails from Ramsgate, in my constituency. I pay tribute to the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw) and welcome him to the Dispatch Box. I should also like to thank him for taking the trouble to come to Ramsgate to listen to the fishermen in the under-10 m fleet there. They were very pleased with his visit, and they have asked me to congratulate him on being frank with them. They did not like what he had to say, but they appreciated the fact that he said it to their face and did not try to gloss over the difficult problems that he faces.

The fishermen's problem is that the allocation of fish that they are permitted to catch is insufficient to allow their industry to remain sustainable. They face ruin, and they expect action to be taken to deal with that. Quite simply, they do not believe that a sufficient quota is being allocated to the under-10 m fleet, and they are looking to the Government to do something about it. They are also looking for a much greater focus on their problems. They want a seat at the table.

I pay tribute to Mr. Tom Brown, the secretary of the Thanet Fishermen's Association, who has represented Thanet fishermen in negotiations for many years and tried to get their point across. Over the past 10 years, he has also made sure that I was familiar with the problems

[Dr. Stephen Ladyman]

that they face. He has validly pointed out that certain decisions were taken in the 1970s about how fishing would be managed as an industry. The producer organisations were set up effectively to promote and improve the fishing industry, but they were also given responsibility for negotiating on behalf of their members—the people who sail the larger over-10 m vessels that are part of those producer organisations. They have done a very good job of negotiating on their behalf, but because they have negotiated so well, the needs of the under-10 m fleet have been completely ignored.

I would like the Minister to undertake a complete review of the way in which the under-10 m fleet is consulted on issues surrounding quota—how the quota is going to be distributed and how the licences are going to be deployed. The producer organisations are more than just consulted: they have a seat at the table; they are players in the game. Those involved with the under-10 m fleet may be able to make their views known through advisory committees, but they are not players in the game—they are spectators—and until that changes, their needs will not be sufficiently taken into account.

It is my clear view that the allocation of quota to the under-10 m fleet is wrong. It seems to me that the division between the under-10 m and over-10 m vessels is an arbitrary one, as the Minister will probably acknowledge, but the distribution of the quota between the two sectors is equally arbitrary. Over the years, errors in how the quota has been managed have compounded the problems faced by the under-10 m sector, and it is now quite clear that its quota is inadequate.

My second suggestion to the Minister therefore is that he needs to grasp that nettle and get some quota on a permanent basis to increase the amount of fishing that the under-10 m fleet is allowed to engage in. In addition to the permanent transfer of some quota, we need a review of whether the under-10 m fleet should be allowed to buy additional quota for itself. Perhaps they should be able to form consortiums and go out and buy some extra quota, which could be restricted to the people involved in purchasing it. Will the Minister think more about that as a possible way forward?

The Minister would be the first to accept that there are far too many vessels in the under-10 m fleet. There has been no—or very little—rationalisation of it over the years. He discussed figures with several MPs the other day, which showed that a great many of the under-10 m fleet are not fishing to capacity; they are not even catching all the fish that they are licensed to catch. Many are dilettante fishermen or hobby fishermen, and some perhaps work only part-time.

I agree with the Minister that he should examine how the fleet is structured and he may need to look into the possibility of removing some people in the under-10 m fleet from commercial fishing. If he does, may I ask him to focus on the needs of those who are making their living out of it? Those who are trying to create and build businesses and who want to provide a sustainable industry with sustainable employment for local communities are the people to whom most of the quota should be allocated. They are the ones who should be allowed to fish at a level that allows them to make a living. Will the Minister also look into ways to help those people market their product or find other ways in which the Government can help us to create fish markets in very attractive locations such as Ramsgate harbour? That would be very popular, and it would help people who catch fish locally to get a good price for them.

There are several ways in which the Minister can help the under-10 m fleet. He can transfer some extra quota; he can make sure that the sector is listened to in the future; he can help it market the product better; and he can help distribute whatever quota is granted to people who make a living out of fishing. Those things would make a major improvement in the sustainability of the under-10 m fleet. They will not be easy to do. I do not relish the task ahead of the Minister, but I am quite sure that he is up to it.

4.39 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): First, let me associate myself, and my right hon. and hon. Friends, with the Minister's very appropriate expressions of condolence to the families of the 10 fishermen who have lost their lives since last year's fisheries debate. Let me also record my appreciation—and, probably, that of all Members—of the skill and expertise of the Maritime and Coastguard Agency, which is often called upon when fishermen are lost, the selfless bravery of the search and rescue helicopter crews, and in particular the lifeboat crews who offer their services on a voluntary basis.

I welcome the Minister to his first fisheries debate. He takes up the brief at a time when the debate in the House is slightly less febrile than it has been, certainly in my experience, but he and his Department still face massive challenges, and I think it is in the interests of all of us who represent fishing communities and all of us who care about the sustainability of fish stocks for him to succeed in his job.

I also pay tribute to the Minister's predecessor, the hon. Member for Exeter (Mr. Bradshaw), who is now a Health Minister, and also Minister for the South West. He took on the job when he was on a fairly steep learning curve, but he got to grips with it in time, and I believe that his view was respected in the industry by the time he gave it up. I have to say, though, that when he left the Chamber at the start of this debate, there was an ever-so-slightly wide grin on his face.

In recent years this debate has been dominated by the issue of cod stocks, and that issue has featured prominently again today. I am delighted that it is now accepted on all sides that we are seeing an upturn in the health of the spawning stock biomass of cod. *Hansard* will show that for the last couple of years a number of us have told the Minister that the upturn was already happening. It was perhaps unfortunate that not enough regard was paid to that, but I am pleased that at last the advice of the International Council for the Exploration of the Sea seems to be catching up with anecdotal evidence from the fishing industry.

I note in passing that this year's ICES report speaks of "unaccounted removals"—a somewhat curious expression. Presumably they are unaccounted removals because there were never "accounted presents" in the first place, ICES never having accepted that the fish were there. Essentially, of course, it speaks of discards; but its acceptance of the position is welcome, as is the public evidence that it has supplied.

It should be borne in mind that the improvement has not been achieved without pain. The United Kingdom white fish effort in the North sea since 2000 has declined by 70 per cent., and in the west of Scotland it has declined by 80 per cent. I am privileged to serve on the national council of the Royal National Lifeboat Institution, and I often speak to lifeboat crews in different parts of the country. They tell me that they are increasingly called to incidents involving boats with problems at sea. Ten years ago, that simply would not have happened: a fishing boat would have been within range and would have gone to help the boat that was in trouble. The fact that that task now falls to the RNLI is a mark of the change that the industry has undergone.

At a time when attention has suddenly focused on discards, I think the House and all parties should bear in mind the real pain that fishing communities and the fishing industry have undergone in the past when the subject was not quite so politically interesting—certainly not sufficiently interesting to attract the attention of the "Today" programme.

There are, of course, a range of other external pressures on the industry. One of the main pressures on the fishing fleet in my constituency is the high cost of fuel, which is having a serious impact. Fishermen in this country look with some envy and not a little irritation at the situation across the channel, where the French Government are giving fuel subsidies to their fleet. When I raised the matter with Commissioner Borg when I was in Brussels last week, no real answer was forthcoming. The Minister may wish to pursue it with the Commissioner at the December Council.

The industry is also still immensely over-regulated. I was amused to read the following observation in the brief supplied by the Northern Ireland Fishermen's Federation:

> "Finally, it is worth noting that one of the few annual increases in the EC's proposals is the amount of paper used. In 2002 the number of pages in the regulation was 102. In 2003 it was 109, in 2004 119, in 2005 151, in 2006 183 and in 2007 213 pages. The proposed regulation for 2008 is 224 pages long. So much for the EC's promised simplification agenda."

I want to say a few words on the recent EU-Norway settlement, to which the Minister has made reference today. He is right to say that the increases in the cod and saithe total allowable catch figures, in particular, are very welcome. They are not, however, the whole picture, which is immensely complex and still very challenging, not least because the increases for cod and saithe have been coupled with cuts in the TACs for whiting and haddock. Therefore, on the one hand something good is given, but on the other hand something good is taken away.

One benefit of the cod increase is that it affords us an opportunity to tackle in a realistic way the question of discard switch, which I am delighted to say has now found its proper place higher up the political agenda. At Department for Environment, Food and Rural Affairs questions today, the hon. Member for Croydon, South (Richard Ottaway) said he risked incurring the wrath of the fishing industry—no doubt the fishermen of Croydon will have been listening closely to what he had to say, and he will be accountable to them for his comments—by drawing attention to the question of discards. On the contrary, the fishing industry has been trying to draw attention to discards for as long as I have been involved in politics, and doubtless for some substantial length of time before that. Discards are representative of a situation where quotas do not reflect the balance of the amount of fish in the sea. That is a fundamental problem, especially when dealing with a mixed fishery such as the North sea white fish fishery. Allied to that, I urge the Minister to resist the argument that because there has been an increase in the cod and saithe TACs there should be a commensurate reduction in effort, in particular in terms of days at sea.

Mr. Alan Reid (Argyll and Bute) (LD): On days at sea, is my hon. Friend aware that the Commissioner proposed a 25 per cent. cut in days at sea for the west of Scotland nephrops fleet—a cut that is not borne out by the scientific advice, which is that nephrops stocks are healthy and the cod by-catch is insignificant? Does my hon. Friend agree that the Minister must resist that 25 per cent. cut at the Fisheries Council?

Mr. Carmichael: I cannot fault my hon. Friend's argument. The position with regard to west coast nephrops is particularly clamant. As he has pointed out, there is a negligible cod by-catch, and the sustainability of the nephrops stock—the Scottish langoustine, I think we are now supposed to call them—in the west of Scotland has not been questioned, as far as I am aware. The cut that the EU Commission proposes seems, therefore, to fly in the face of its own science.

The days-at-sea issue will be crucial to the success or failure of the Minister's visit to Brussels. The devil lies in the detail. At first sight, the proposal appears to be a roll-over in terms of effort, inasmuch as it takes up the question of administrative penalties, and if one buys into administrative penalties one ends up with the same number of days at sea. The Scottish fleet also has a significant number of extra days given to it by virtue of its previous decommissioning effort. However, if the Minister looks at the baseline figures he will see that there is a cut of somewhere in the region of 10 per cent. in that. This might achieve a roll-over for the days at sea this year, but it could stack up problems for us in years to come. I ask the Minister to resist vigorously the cut in the baseline figures in relation to days at sea.

As the Minister observed, a number of other species are available in a white fish fishery, and I commend him on his efforts in drawing attention to that. May I draw his attention to another species, the North sea megrim. The UK position is for a 15 per cent. increase in the total allowable catch of megrim in the North sea. The evidence that I hear from the fishing industry throughout Scotland is that the discard levels suggest that a much larger increase in the TAC could be sustained.

Will the Minister ensure that his officials examine the question of megrim before he goes to Brussels? It is particularly galling for fishermen to have to chuck lots of megrim over the side—it is a high-value species, and fishermen in my constituency get about £5 to £6 a kilo for megrim, which is more than they get even for monkfish. It would be unfortunate not to have a TAC in place when there are fish that will be of value, particularly when the industry's margins are as pressured as they are. There is also a growing biomass of hake in the North sea, but no quota, and let us have no further salami-slicing on species such as lemon sole,

[Mr. Carmichael]

because year-on-year cuts seem to be made simply for the sake of it, and without any science to back them up.

The pelagic fleet has been a mainstay of Scottish fishing communities in recent years, and I cannot overestimate its importance. In recent years it has kept what onshore business we have going. The proposal this year is for a 42 per cent. cut in North sea herring and a 9 per cent. cut in North sea mackerel. My concern—this is perhaps where the approach of the hon. Member for Leominster (Bill Wiggin) becomes particularly unhelpful—is that there is a substantial disjunction between how the scientists see the health of the stock and how the industry sees it. It is not clear who is right, and I suspect that, as ever, the truth may lie somewhere between the two extremes. The mackerel stock is of particular importance to the pelagic fleet, and if a cut is made where none is necessary, its impact would be particularly severe. There is little cheerfulness or optimism in the pelagic fleet. In my constituency, I have heard rumours of at least two boats considering selling out. If they do, they will sell out to boats outside the United Kingdom, and once gone, they will be gone for ever; we know that from experience in other sectors.

An obvious compromise could be made on mackerel. The Minister may not be able to get what the industry wants, and I accept that there are difficulties in that. Will he negotiate from the position that there needs to be a comprehensive review of the science? There is precedent for that. Will he also negotiate some in-year flexibility for the fleet, because experience tells us—I think particularly of the situation that faced monkfish fishermen in south-west England a few years ago—that as the year progresses it can become apparent that the science on which the quota and the TAC was based was not accurate, and that there is an abundance of fish. Such is the importance of mackerel to the Scottish pelagic fleet that every effort should be made to ensure that any cuts are absolutely necessary in the interests of sustainability, and can be revisited in the course of the year. As I say, there are precedents for that.

I could doubtless concentrate on other aspects of the industry—but I am aware that other hon. Members wish to speak.

Bill Wiggin: Sit down then.

Mr. Carmichael: The hon. Gentleman, who gave us 18 minutes on the subject of sea angling and bass, asks me to sit down. It makes me long for the days when the hon. Member for Congleton (Ann Winterton) was the fisheries spokesperson for the Conservative party—although one would not have put good money on my saying that when she was doing the job.

The Minister goes to Brussels with our best wishes. It is in the interests of all parties, all the communities that rely on fishing for their economic viability, and all who care about the sustainability of fish stocks, that he should be successful.

4.54 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I wish to associate myself with the comments made by all contributors to the debate about the sacrifices by fishermen and the services provided to the industry by others.

The general impression given by representatives of the industry is that things are better than they have been for some time. The hon. Member for Orkney and Shetland (Mr. Carmichael) rightly reminded us of the sacrifices that have been made over the last few years, with the amount of decommissioning and the impact that it has had on the industry. However, fish are getting a good price at the market just now and the Minister makes an important point about a culture change in the industry. For many years, the leaders of the industry were way ahead of their membership in advocating environmental changes and talking about sustainability, but that has now permeated the industry. It has been a substantial culture change. There is now a real focus on quality of fish and a much closer relationship with the scientists, including a willingness to be involved in experimentation on real-time closures and gear changes, which is very significant. The industry, certainly in Scotland and, I am sure, elsewhere, is becoming much more pro-active.

There is some concern at how the Council negotiations will pan out. It is the usual lottery. No matter how good the prospects might be—especially for the agreement with Norway on cod quotas—there is always concern about how they will operate. The Scottish industry would obviously like to see a fair outcome, and has raised three particular points with me. First, given the across-the-board cuts in herring and mackerel, an equitable settlement for the west of Scotland herring TAC is essential to the Scottish pelagic industry. Secondly, it wants agreement on a more precise means of continuing cod recovery by an elevated TAC to avoid discards, and a package of cod avoidance measures to reduce cod mortality. Thirdly, the industry wants a firm agreement on effort control or days at sea for the fleet sectors covered by the cod recovery plan restrictions.

My main interest in the industry is on the processing side. We do not have very many fish catches left in the Aberdeen harbour and things have not been so good for the processors. The reduction in the fleet in the past few years has meant a vastly reduced supply of raw material. The processors are now part of a global market, in which there is much more intense competition. Some other countries can process at much lower cost than we can.

In the Aberdeen area, there have been 50 per cent. job losses and several company closures in the industry, but to balance that, the situation does appear to be bottoming out. The North East Fishermen's Training Association, which provides in-service training for people in the processing industry, has seen 700 trainees complete their training in the past six months, and there are still 1,000 jobs in Aberdeen.

One of the major problems for the industry was that while the fishing fleet received compensation from Government to help them through the difficult times of decommissioning, nothing was given to the processing sector. That is still a problem and the industry has had to cope with several other serious problems, not the least of which were new environmental health and food processing regulations, which have required massive investment. Although there is a sense that things are bottoming out, there are still more difficulties to come.

The Sea Fish Industry Authority has done a significant amount over the past few years to help the industry through its difficult times. The authority

sponsors the training course I mentioned earlier. I congratulate it on the work that it does in the industry. There is some controversy at the moment, not least in the city of Aberdeen, about some of the proposals for training in the industry over the next few years, but I am sure that the matter will resolve itself.

The nephrops catch has been mentioned quite a lot. One of the issues that the Sea Fish Industry Authority has raised with me is the significant problem of dealing with shellfish waste. There are masses of regulations on the disposal of waste and a huge number of bodies seem to be involved. According to the list I have in front of me, for England alone the bodies include DEFRA, Animal Health, the Environment Agency, the Food Standards Agency and local authorities. The industry feels that it is in some difficulty. It has looked at various forms of disposal of the waste from processing shellfish. Landfill is not an option and neither is in-house treatment, because there are major legal restrictions and high costs. The industry has looked at other waste disposal outlets, but there seems to be a lack of suitable alternatives. Utilisation at sea is permitted only for certain shell types. In relation to land application, there are huge legal restrictions. The product needs treatment before it can be used in that way and the costs are enormous. Will the Minister look at this issue? It is a serious problem for the industry.

On the progress of the marine Bill, we hear, particularly from the voluntary sector in Scotland, that there are some difficulties with the Scottish Executive when it comes to agreeing elements of the Bill. I understand that there will be reserved matters and devolved matters. I hope that agreement can be reached quickly on the marine Bill.

The hon. Member for Leominster (Bill Wiggin) made the most extraordinary speech. He seemed to suggest that if we had a Tory Government, there would be more and bigger fish in the sea. That is a huge change compared with what we heard from the hon. Member for Congleton (Ann Winterton). In fact, for most of the past 10 years, the Tory policy on fishing has been to pull out of the common fisheries policy. We do not hear that much any more, so I assume that particular Tory policy has been dumped. If getting the right Government means bigger and more fish in the sea, that is quite extraordinary. I have brought my children up to believe that, under a Labour Government, there is more sunshine, but at least I have some evidence for that: the city of Aberdeen has been the sunniest place in Britain for two out of the last three years. I am waiting to see the evidence of the hon. Member for Leominster.

5.2 pm

Mr. Robert Goodwill (Scarborough and Whitby) (Con): It certainly has not been too sunny in No. 10 Downing street in recent weeks.

Many people in my constituency come from a proud tradition of those who have earned their living on the sea. Members of the Royal National Lifeboat Institution have continued to put themselves in harm's way to help those who are in mortal peril. Recently, there was a tragic case in the entrance to Whitby harbour, and the lifeboat men were called. Many who join the RNLI do not come from a fishing tradition but have jobs on land. Sadly, our fishing fleet is now much depleted and the fish-processing jobs on land are also in decline. I am pleased to say that one area has been wiped out entirely: the whaling fleet that used to ply its trade from Whitby. I hope that, when the Minister goes to other negotiations, he will make sure that that situation remains the same in other parts of the world—in particular with regard to the humpback whale, which should continue to be protected.

Captain James Cook set sail in 1768 on the Endeavour to view the transit of Venus and to rediscover New Zealand and Australia. The Endeavour was built in Whitby. I am pleased to be able to start with a good news story and to say that shipbuilding is alive and well in Whitby. Parkol Marine Engineering Ltd goes from strength to strength, and it launched its 21st boat, the 175-tonne Radiant Star, on 17 November. At 22.8 m. the vessel is 0.5 m longer than the Our Lass II, which was built for Locker Trawlers Ltd. of Whitby. Parkol Marine employs 25 workers and has a healthy order book, with two twin-rigged trawlers on order for Fraserburgh and an 80 m crabber on order for the Orkneys.

If the Minister is interested in visiting Parkol Marine, he should come up to Whitby and see a launch. It is a spectacular operation, with a massive crane from the Netherlands being used to lift the boat off the quay and into the water. If he likes a good party, he should try and come when the Orkneymen are in town for a launch. He might even take the opportunity to come out to sea with one of the potting vessels, when he could see the discards being returned to the waters. That is a real problem, but one of the realities of life.

The cod fleet is much depleted, with 10 full-time trawlers in Whitby and a similar number in Scarborough. The message from the fishermen that discards are a criminal waste is loud and clear. They do not just resent the money that they see being thrown away, but the fact that it is good fish that are being thrown back. This year, the scientists recommended a 15 per cent. increase in cod quota, but the Fisheries Council went for a freeze and that may be one reason why there have been so many discards.

The Commission has plumped for an 11 per cent. increase in the cod quota next year, and I hope that the Minister will hold the line on that, no matter what some other EU countries say. I have spent some time negotiating in other sectors within the EU, so may I advise him that he should watch out for some countries that one might not expect to have a view on fisheries? Countries that do not even have a coastline may have done deals with Spain or other fishing nations, and he may find that they have strong views as a result. Perhaps some of the skills that he developed in the Government Whips Office will prove to be of help with them.

As the hon. Member for Orkney and Shetland (Mr. Carmichael) said, there should be no reduction in days at sea, as that would be a case of giving with one hand and taking away with the other. One fisherman told me today that the industry could live with the 25 per cent. cut in whiting and haddock quotas as long as the Government hold the line on the cod catch. Everybody says that stocks are improving, and prices have risen over the past 12 months.

In the months ahead, I hope that the Minister will look at ways we can introduce and encourage more sustainable methods of fishing, such as through the use

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of long lines and gill nets. Many vessels in the inshore potting fleet along the Yorkshire coast already use gill nets in winter.

Mr. MacNeil: On a point of information, the hon. Gentleman may know that the Faroese have quite a sizeable long-line fishing fleet. The method seems to work very well for them, so perhaps his fishing fleets could look at adopting it.

Mr. Goodwill: The hon. Gentleman is absolutely right, and the automatic baiting systems and the measures that are in place to protect albatrosses mean that long lining can be very effective.

One problem with the use of gill nets is seal predation. Fishermen can get around that by having the nets out only during short periods of slack water rather than for 24 hours at a time, because in that way it is the nets that do the fishing.

I may be skating on thin ice with this question, but does the Minister feel that the number of seals in the North sea is at a sustainable level? Should there be more of them, or fewer? What level does he think is appropriate? It is a very difficult matter, as every fisherman I have spoken to tells me that there are too many seals in the North sea. That is why I believe that DEFRA should determine what is an ecologically sustainable level for those creatures.

We have heard a lot in the debate about recreational angling, but it is worth noting that many former fishermen now take recreational anglers out to sea. It is therefore not merely a hobby: people earn their living from recreational angling, and it is very important that they are supported.

Concerns have been expressed to me about the proposed marine conservation areas. Will there be areas where no fishing at all will be allowed? Will recreational fishing be allowed? If I were the Minister—many people here may be thankful that I am not—I would be cautious when considering restrictions on fishing from the shore, which is an activity that many people enjoy. In marine conservation areas—those national parks out at sea—it is important to keep the freedom to fish from the land. Let us not forget that in our national parks, one group that contributes to the most sustainable aspects of the environment is the shooting fraternity, which contributes to the environment. It would be a mistake to say that the conservation areas should be complete no-fishing zones.

A lot of environmental damage is done through marine aggregate dredging. The Olympics will require millions of tonnes of gravel, much of which could be dredged from the sea. I am sure that the Minister remembers the Marchioness disaster, in which a pleasure boat was hit by a dredger, the Bowbelle. That dredger was not dredging the Thames and going out to sea to tip; it was bringing in marine aggregate. Big applications have been made that would affect the north-west and southernmost roughs on the Dogger bank. Those are the spawning grounds of our fish, and we should be very careful about that activity.

I mentioned the problem of discards; we really must get to grips with that. Some of the solutions may lie in better fishing methods. Certainly, the Yorkshire fishing fleet feels a degree of optimism. After a massive decline in the numbers of vessels and people working in the industry, we are now reaching something like a sustainable level, and we have turned the corner. After Christmas, when the Minister has a bit more time, will he accept my invitation and come to either Scarborough or Whitby, and perhaps spend a day out at sea on a fishing vessel? It is interesting to learn about such things first-hand. I suggest Mr. Gordon Quinn, one of the Whitby skippers; it is quite an education to talk to him, never mind go out to sea with him. I wish the Minister luck in his negotiations. He certainly has my good wishes, and I hope that he will follow in the footsteps of his predecessors.

5.12 pm

Michael Jabez Foster (Hastings and Rye) (Lab): I always want to come along to such debates and speak on behalf of the fishermen of Hastings and Rye. The issue excites me because I have always lived in Hastings and Rye—well, Hastings, anyway—and the fishermen are an integral part of our local community. They are the true conservationists. For centuries, they have exercised their birthright to fish in the channel as inshore fishermen, and to bring prosperity not just to their society but to the wider community. That is at risk. Last year, I said it might be the last year that that happened, unless something changed. Thankfully, the industry has survived to face another Christmas, thanks to a good stock of sole that has come late in the year. The consequence is that the fishermen are still in business—but only just.

Last year, at a meeting with Tony Blair—the then Prime Minister—Paul Joy, Graham Coglan and Ronnie Simmons, from local fishermen's societies, explained just how dire the circumstances were. That was accepted by Tony Blair, who asked the then Minister if he could do something about it. Today, I congratulate my hon. Friend the Minister; he came to Hastings and Thanet and looked at the situation, and he has accepted that we needed to take action. Now we need to take it.

What action needs to be taken? Of course, we congratulate the Minister on his fortitude, but also on his ambitions for the forthcoming EU discussions and debate. I am sure that he will do the best job that he can, but we know in reality that the amount of stock available will still be very limited. We also know that that will leave the under-10 m fishing fleets in enormous difficulties. Let me briefly explain why I say that the situation in towns such as Hastings and Rye is dire. Both our local fleets consist of about 32 boats. Those are small numbers; in the great scheme of the economy, that is not big, but the fleets are important to the local economy, both for tourism and beyond. If they got their whole catch—all the cod, plaice and sole that they were permitted to catch—it would bring each boat £400 a week, despite the good prices in the past year. That money has to maintain two or three workers, plus the boys ashore—the people who help on land—and it must pay, too, for the cost of fuel and maintenance of the boat. It works out at a wage of about £90, which is not sustainable. The fleet is accredited as a sustainable fleet, but an income of £100 a week is economically unsustainable. I have thrown my prepared speech on the Bench, because every year I come to the Chamber with a 20-minute speech but I have only six minutes in which to make my contribution.

With such a limited ability, fishing in my constituency cannot continue unless something is done. It is simply unsustainable to maintain fishing fleets in the under-10 m sector unless they are allowed a higher quota. The Minister gave the figures this week. Some 640 vessels in the over-10 m sector share 96 per cent. of the allocation, and 2,379 under-10 m vessels share just 3 per cent. They do not all go to sea—perhaps only a third do so—but even if they did, the calculation of 96:3 is simply unacceptable, and it will be challenged. I must tell my hon. Friend the Minister that if the problem is not sorted out, people will ask the courts to make a decision about whether such distribution is legal.

This is an historic problem. It has not suddenly arisen, but it requires a contemporary answer. I encourage my hon. Friend the Minister to look at the history of how it all happened. There was plenty of fish when the distributions were originally made, and the over-10 m sector which, in turn, gave rise to producer organisations, was given a share of the quota based on its track record or catch. Unfortunately, the under-10 m fleet, as my hon. Friend the Member for South Thanet (Dr. Ladyman) has reminded us, did not sit at the table, because it was not invited to the party. The then Government therefore handed out 96 per cent. of the catch to the big boys—perhaps that is why big fish are their particular interest—and left 3 per cent. to be distributed by the administration among the vast number of smaller vessels. That was wrong then, and it has become wronger, as there are fewer fish now.

May I bring to my hon. Friend's attention, too, the fact that those Governments who decommissioned vessels did so only in the over-10 m sector? Consequently—and quite rightly—there is more stock to share out. However, it is not shared out across the industry; it is shared out in the over-10 m sector. As that policy, with which I do not disagree, is carried out, more stock per boat is shared out in the over-10 m sector, but nothing has happened in the under-10 m sector. It is a wrong on a wrong, which simply must change. The Minister may well decide to introduce decommissioning in the under-10 m sector as a solution, but that is not the entire answer. Because of those historic ills, I encourage him to take early action, as it is morally justifiable to find more of a share for the under-10 m sector.

The sector needs that share because of economic factors, and because of the problem of discards. There is a dispute between scientists and fishermen, and on Hastings beach people say that there is so much cod in the English channel they can walk on it. *[Interruption.]* Well, perhaps some of them have supernatural powers. However, there is plenty of cod, and fishermen are discarding more in the sea than they are taking out, which is disgraceful. I believe that we should never kill animals except for food—I am a member of the anti-hunt brigade—and it is almost as immoral to throw back good food and thus waste it as it is to chase foxes. I hope that will encourage my hon. Friend to act, as we have to do something about the problem. The solution is probably to allow the fish at least to be brought aboard rather than discarded, and decide what we do about it after that. In Hastings we have the best fed seagulls in Christendom because there is so much dead fish along the coast. That has to stop.

I am grateful for the opportunity to speak in the debate. I hope very much that there will be a solution before next year and that I will be here, still speaking for an industry in Hastings and Rye.

5.19 pm

Mr. Alan Reid (Argyll and Bute) (LD): For the west of Scotland fleet, the mainstay stock is nephrops. The nephrops stock was not scientifically assessed this year. However, the latest scientific assessment, which was presented in last year's scientific evidence from ICES, showed healthy nephrops stocks all the way along the west coast of Scotland.

For example, quoting from the ICES advice, in the North Minch, nephrops stocks increased sharply between 2001 and 2003. The higher level of abundance in 2003 was maintained in the most recent survey. In the South Minch, the population fluctuated without trend between 1995 and 2000, but remained more stable and at a slightly higher level from 2001 to 2003. A further increase in abundance in 2004 was maintained in the latest survey.

The results of television surveys in the waters beneath the firth of Clyde suggest that the population of nephrops has increased steadily since 1999, with the latest estimate being the highest in the series. A similar survey in the sound of Jura suggested that the nephrops population had been fairly stable during the previous five years. In the sea lochs where there are important creel fisheries, the surveys also show that the stocks are strong. So, without doubt, the nephrops stocks are healthy.

Scientific investigation has shown that by-catches of cod when fishing for nephrops are low in the waters off the west of Scotland. The fishermen there have for a long time been practising a real-time closure. In the spring, when there is a concentration of spawning cod in the firth of Clyde, the spawning area is rightly closed to fishing boats in order to preserve stocks.

Given all the scientific evidence that the nephrops stocks are healthy and the cod by-catch is very low, and given the real-time closure, there is no excuse for cutting the nephrops fishing effort. Despite all this, much to the dismay of the west of Scotland fishermen, the Commission has proposed a massive 25 per cent. reduction in days at sea for the west of Scotland nephrops fleet. That is totally unjustified and is not based on any scientific evidence. I urge the Minister to ensure that the proposal is rejected out of hand at the Council meeting.

A related issue that I raised with the Minister at the all-party group is the need to restore the 28 days at sea that were removed last year from the west of Scotland 70-89 mm fishing vessels that catch less than 5 per cent. by weight of cod. Those 28 days were deducted after last year's December Council. The Clyde Fishermen's Association has told me that the deduction was applied as a result of an administrative error and was applied by mistake, not by intent. The CFA told me that the Scottish marine directorate agreed that an error had been made and did its best to get the Commission to correct the situation, but that has not happened.

Mr. MacNeil: The deduction occurred as a result of an error in the translation of documents, and has had a serious material effect for fishermen. I am grateful to the hon. Gentleman for bringing it to light.

Mr. Reid: I am grateful to the hon. Gentleman for that intervention. The error has certainly had a serious effect. I urge the Minister to ensure that it is corrected at this year's Council and that those 28 days are restored. There should be a mechanism for correcting administrative errors during the year, without having to wait till the next Council.

There is widespread agreement that the annual horse trading at the EU December Council is no way to manage our fisheries. As was said by the hon. Member for Scarborough and Whitby (Mr. Goodwill), many of the voting participants come from landlocked countries and have no interest in fishing. We must move away from that annual horse trading to regional management by those who have a stake in the future of the industry.

This year's proposal from the Commission of a 25 per cent. cut in days at sea would leave the west of Scotland fleet in an unsustainable position and is completely unjustified. Given how the negotiations work, I suspect that the proposal is a negotiating position and that the Commission is actually looking for a smaller reduction. However, we should not fall for that; there is simply no reason for any reduction whatever, and I hope that the Minister will resist the proposal. Since he secured his post, the Minister has engaged constructively with the industry and the all-party group and I wish him all the best at his first EU Council, which will be an interesting experience and unlike anything he has experienced.

I conclude by emphasising again that the Minister must make every effort to ensure that there are no cuts in days at sea for the west of Scotland nephrops fleets.

5.25 pm

Martin Salter (Reading, West) (Lab): I was pleased to contribute to last year's fisheries debate and remind the House that fisheries are not just the preserve of the commercial sector, but provide the resource on which recreational angling depends. I welcome the opportunity—admittedly, I have only a few minutes—to update hon. Members on developments in freshwater fisheries. I particularly want to highlight the work of the fisheries section of the Environment Agency. I also want to draw Members' attention to the work of the Anglers' Conservation Association, of which I am a member; I declare that interest.

I welcome the Minister to his first fisheries debate. I was delighted that he made a number of references to the importance of recreational angling; that point was replicated across the Chamber. Being Fisheries Minister is not easy; after all, the Minister's predecessor, the right hon. Member for Suffolk, Coastal (Mr. Gummer), said:

"if you are a Fisheries Minister you sit around the table arguing about fishermen, not about fish. You are there to represent fishermen, you are there to ensure that if there are ten fish left you get your share and, if possible, a bit more. The arguments are not about conservation"—

wise words from a politician who has scars on his back as a result of having done the job. I wish the Minister well, and if he is short of bedtime reading during the Christmas holidays, I heartily recommend "End of the Line" by Charles Clover—a fairly apocalyptic snapshot of the state of the ocean's fisheries in particular.

I turn briefly to the work of the Environment Agency. Hon. Members will be aware that it is the lead body for protecting and improving the freshwater environment. Not only does it regulate, enforce and prosecute the users and abusers of our waterways, but it is charged with increasing participation in angling.

I hope that the Minister has had the opportunity to read two important documents from the agency. The first, "Our Nation's Fisheries", gives a useful snapshot of the state of freshwater stocks. The overall picture is reasonably encouraging, but behind the generalisations there are serious concerns. Coarse fish numbers are increasing in many of our rivers. In the most recent survey, fish were present at more than 98 per cent. of sites and 50 per cent. of sites contained eight or more species. That is a big improvement on a decade ago, when many more rivers were grossly polluted and their fish communities were restricted to a few or a couple of species. However, salmon stocks have been seriously depleted, and stocks of multi-sea winter fish particularly so. In 2002, 70 per cent. of rivers failed to meet their conservation limit, and 46 per cent. achieved less than half the limit. As the Minister will be aware, the news is not all bad. Salmon stocks on some previously polluted rivers, including the Tyne, the Tees and rivers of the south Wales valleys, have recovered dramatically. However, there is no cause for complacency.

I hope that the Minister has also had the opportunity to look at "Fishing for the Future", the angling participation strategy produced by the Environment Agency. The agency draws attention to its new statutory obligation to maintain, improve and develop salmon and freshwater fisheries. It has a participation target, which aims to deliver an extra 100,000 anglers by 2010. In the past three years, it has exceeded that target. Licence sales have risen and angling is doing well under Labour; we are catching bigger and more fish—at least I am.

However—here is the rub—there is the issue of DEFRA grant in aid, which I raised in DEFRA questions earlier. A properly funded fisheries budget for the Environment Agency is crucial. I urge the Minister to consider what has happened to the ratio between funding for EA fisheries work delivered through the rod licence income and that delivered through grant in aid. In 1995, 44 per cent. of the total budget came from grant in aid and 52 per cent. from rod licence income. Now, 29 per cent. of the budget is delivered through grant in aid and 68 per cent. through rod licence income. Contrast that with navigation, where grant in aid has increased from £8.3 million in 2004-05 to £13.3 million in 2006-07. It is clearly unfair for the increased burden to be borne by rod licence holders.

I wish to turn to the excellent work of the Anglers Conservation Association. Not all that is done to protect our rivers, streams and canals is done by the Environment Agency—anglers have been putting their hands in their pockets for years. The ACA was established in 1948, backed with funds of just £200. Three years later, it forced a city corporation to spend £1.8 million, worth £30 million at today's prices, on a new sewage works to prevent pollution. This year alone, it has settled 30 legal cases concerning pollution with sewage, pesticides, sediment, fertiliser and slurry. It has lost only three cases in its 60-year history, and just this week successfully negotiated £500,000 in compensation from Thames Water for its disgraceful pollution of the beautiful River Wandle, London's only chalk stream within the boundary of the

M25. I wish the ACA well; it is a great shame that only about 10,000 of Britain's 2.5 million freshwater anglers are members.

Hon. Members will be pleased to know that the constituent parts of recreational angling—the National Federation of Anglers, the Specialist Anglers Alliance, the Salmon and Trout Association, the ACA and the Association of Rivers Trusts—have finally come together to provide a united voice for angling. It is important that angling, as a guardian of the waterways, is able to punch its weight in this place and elsewhere.

5.32 pm

Ann Winterton (Congleton) (Con): It is some time since I have tried to speak in a debate on fisheries policy. I note that the issues are evergreen—as are most of the speakers, with the exception of our bright, shiny new Minister, whom we wish well in his job.

I intend to limit my remarks to the issue of discards, which has featured much in the press of late, particularly in relation to cod, as well as in this debate and at Question Time earlier today. There is absolutely nothing new about this situation, for it is simply a direct result of European Union fisheries policy. Not only is the thorny issue of discards being repeated in relation to cod, but I can assure the House that the situation will continue to recur unless common sense eventually prevails. In 1986, the fishing industry itself highlighted the amount of haddock that was being discarded, and a debate followed about how discards of small fish could be avoided by the use of technical fishing gear. In the 1980s, vast amounts of small fish were being dumped, whereas now, with increased mesh size and different trawl designs, mainly marketable fish are being thrown over the side. The problem then affected coley, or saithe, another species that British vessels discarded in abundance.

Now, however, it is the cod catch that is being seriously affected. In the case of cod and coley, I must make it clear that we are talking about mature, marketable fish which are thrown back dead over the side to pollute the marine environment. People may ask why this disastrous and wasteful practice is being allowed. The simple answer is that it is entirely due to the European Union's quota system. For those Members who may not remember when Britain joined what was then called the Common Market, on 1 January 1973 Parliament handed competence of Britain's living marine resource over to what has subsequently become the European Union, that competence to be shared equally between member states without discrimination.

As more countries have subsequently joined the EU, so the cake—the share each country is entitled to—has had to be divided up into smaller units. As a result, British vessels have been driven off the water to make room for the newcomers. The quota system was introduced in 1983 in order to comply with an obligation in the original treaty and was disguised as a tool of conservation, although in reality it was a tool of integration. How else could the new EU resource be divided up to distribute to the participating states without their fishermen realising what was going on? Let us not beat about the bush. The politicians involved at that time did not tell the truth about the situation until 2002, and the industry was strung along until then.

Those Members who support the common fisheries policy, as an undisputed consequence, also support the greatest environmental marine disaster. That is a direct result of the integration process to secure the achievement of one European Union fishing fleet in what are now EU waters. Only a couple of days ago, as I mentioned earlier, the special report by the European Court of Auditors confirmed that the common fisheries policy was a failure—quite an indictment, I should have thought. The CFP has failed because it is really about political union, not the management of fisheries. The quota system has created the discard system, which in turn has produced faulty scientific evidence.

One only has to look at the successful system introduced in the Faroe Islands, where adult species are fished to a level that is sustained by the available food source. The Faroes still have limits on each species, but control catch rates by days at sea. They do not discard, so accurate figures are available about what is caught, unlike in EU waters, where no one knows exactly what has been killed. Therein lies the dispute, I should have thought, between the fishermen and the scientists. In the flawed European Union system, the food source itself has been destroyed—

Mr. MacNeil: Will the hon. Lady give way?

Ann Winterton: I will not, because of the time.

The food source has been destroyed by the EU's previous high quota for those species lower down the food chain, such as sand eels, so is it any wonder that the adult stock is unsustainable? If the food stock is not adequate, it makes it incredibly hard to have a sustainable adult stock, and if you force that adult stock up by virtually not fishing it at all, the adults will have to eat their own young or the young of other species. Any form of life can only be sustained by the availability of food, so the concentration of effort and policy should now be to increase the base of the pyramid of the food chain, not the other way round, which is the present practice.

However, it is encouraging to know that one of the wonders of nature is that this political, integrationist onslaught of mismanagement could still be overcome if the right policy were to be introduced. Only the rump of the original British fishing fleet survives today, the rest having been eradicated by Britain's European Union treaty obligations, but the unpalatable fact is that we can huff and puff in this House as much as we like, but as long as competence for fisheries remains in the hands of the EU Commission, there is nothing—repeat, nothing—that the UK can do to stop the discard problem.

When the European Union stops expanding and it presides over one integrated EU fishing fleet in all EU waters, which is what the Maastricht and Nice treaties were leading up to—that all national considerations should cease—it may take a look at the Faroese system and adopt it. However, I have made no secret of the fact that I have always been an enthusiastic proponent of a return to British control of fisheries policy. I was delighted, therefore, to see that the Scottish National party's policy is to stick to its guns and continue to support the return of national control. If that policy were eventually introduced in Scotland, admittedly against the odds, it would create an immediate improvement for the Scottish economy

[Ann Winterton]

and coastal communities. It would also be wonderful to witness genuine marine environmental progress, even if it were limited only to Scotland at first. If only we and the rest of the UK would follow suit.

5.39 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I congratulate my hon. Friend the Minister on taking over the most important job in Government. He follows two able and energetic Fisheries Ministers. We have a no-discard policy when it comes to Ministers and fishing—unlike on the Opposition Front Bench. They consulted widely and got to know the industry, as my hon. Friend is doing. I congratulate him.

I am disappointed that debate on such an important subject is crammed into a quick gabble in the dying two or three hours of a deadly dull day. Fishing is more important than that. We should have had the debate earlier, because the shape of the settlement that we are debating was determined by the EU-Norway agreement earlier this year, which told us that haddock quotas will be reduced by 15 per cent., whiting by 25 per cent. and herring by 41 per cent. That shows that the advice of the regional advisory councils, on which the common fisheries policy should be based, will be ignored. The position paper from the North Sea regional advisory council complains that

"the Commission proposes to treat stocks where the quality of the assessments is poor"

in a way that the council does not support. We should listen to the RACs.

The Norway agreement also tells us that there is to be an increase in the total allowable catch of cod in the North sea. The cod preservation plan is totemic for the EU. We could and should have argued for a bigger increase. Cod stocks grow phenomenally and recover very quickly. The fact that recovery is now well under way would allow us to take a bigger quota. The lower the quota, the greater the discards. We could take a bigger quota and cut down the discards. The Minister has emphasised that fact during his comments on the radio.

It might be necessary to do something more on discards. Why cannot we consider the Norwegian arrangements, whereby all fish caught has to be landed and is then sold at a lower price so as not to reward the landing? That gives value to it, and means that it is not wasted, as it is now, by being thrown back into the sea. That has to be our approach to the coming talks. On the east coast, this last year has been a good year, but we face a more difficult year ahead, particularly in Hull. The Norwegian quota for "others" was cut by 28 per cent. at the last minute in the talks. Why was that done? It will be a serious blow for Hull.

We need to consider much more flexible arrangements during the talks. We need to consider the cod avoidance plans that the National Federation of Fishermen's Organisations has proposed, which are very important and a successful way of maintaining other catches while avoiding the cod stocks. We need to look at selective gear. It is of concern that the terminator, important though it is, was developed in Canada—it is used in Canada and New Zealand—and followed the experiments with square mesh panels, of which our Government took little notice and which were financed by the industry. Those experiments pioneered the way for the terminator. We should take up the terminator, but we should have taken up the square mesh panels much earlier.

We need real-time closures of the kind that the Scottish industry has pioneered and video recording of catches, as practised in New Zealand, as a tachometer for the industry. All those elements of flexibility need to be introduced into the talks and the common fisheries policy. We should argue against continuing the big blockbuster measures, such as days at sea limitations, decommissioning and others that have led to the current state of affairs, and argue for more selective measures—selective gear, selective catches and selective fishing in some areas.

I would also argue for more flexibility in our country. For example, the Under-Secretary could allow a little more flexibility to the under-10 m class of vessel. The tight quota limits that are imposed on those vessels need to be eased. We could also allow the long liners more flexibility. I have corresponded with the Under-Secretary about Grimsby skipper John Hancock's vessels, the Apollo and the Genesis—long liners—which could be kept going by a slight increase in the catch of tusk and ling. That would not be associated with any increase in cod catches, because long lining is conservation-effective. We should therefore be more flexible rather than maintaining a position of absolute inflexibility.

We should argue for more flexibility in the common fisheries policy and give more flexibility to our industry, because all the other countries do that when it suits their interests, and we should do the same. Through allowing greater flexibility, the Under-Secretary will enter into closer relationships with the industry, which he wants, and which we, as representatives of the industry, also want. We must work together and try more concertedly to bring scientists and fishermen together. The Under-Secretary must listen to the industry, as Scottish Ministers do. That puts them in a much more powerful position for knowing what the industry wants and getting it in Europe. My hon. Friend's background in social work predisposes him towards working together. In doing that, we will be successful, as he deserves to be.

5.46 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I am glad to contribute to the debate, especially as I have had to hang around London, and the outer Hebrides are far away.

I have worked twice as a fisherman and I therefore believe that it is important to add my voice to the debate, which, I note, takes place in the window between the Norway talks and the main EU horse-trading. Again, I remark on the power of Norway to stand toe to toe with the European Union—something that has probably not gone unnoticed, especially by the hon. Member for Congleton (Ann Winterton).

Many parts of my speech have already been covered, but I should like to emphasise some of the concerns that have come my way and some things that the Under-Secretary should have ringing in his ears from the last Back-Bench speech of the debate. There is anxiety on

the west coast of Scotland about the suggestion of cutting days at sea for boats—the 25 per cent. cut to which the hon. Member for Argyll and Bute (Mr. Reid) alluded—in Mallaig, Barra, Lewis and Kinlochbervie. There is major concern about a cut from 227 to 170 days. Mallaig and North-West Fishermen's Association believes that 215 days is the bare minimum for scratching a living. The hon. Member for Argyll and Bute pointed out the error in the translation that last year enabled the 28-day cut. I emphasise to the Minister the dangers of translation when one does not use Gaelic.

The Western Isles Fishermen's Association asked me to speak about monkfish. Although ICES is sceptical, the fishermen believe that the stocks on the west coast are good and that there is no need for a cut in quota. I hope that the Under-Secretary will take cognisance of that. The fishermen feel that there should be no cut in the haddock quota, especially as, on the west coast, they have enabled the windsock, an area of closure between Lewis and Orkney. Before any complete data come from that area, the fishermen should not be penalised, especially given that they are prepared to increase the size of escape panels from 90 mm to 120 mm. I therefore believe that technological measures can be considered before the fishermen and fishing interests are penalised. The inshore fisheries agreement in the western isles has been successful and the fishing has been much healthier there as a result of it. Autonomy, responsibility—and perhaps even independence—when it is given to fishermen appear to work wonders.

I am also concerned about the pelagic stocks. When the all-party fisheries group discussed the cut in the herring quota, I drew to the Under-Secretary's attention a boat that was involved in data gathering about the herring stocks and said that the skipper remarked that the scientists had asked him to fish for herring in places where he would not fish for them. When he did not catch any herring, that was used as evidence that there were no herring. The fishermen who work the herring stocks know that the herring have changed their patterns of behaviour over the years and would therefore not expect to catch any in such places. Inaccurate data might therefore have been fed into the resultant cut in the quota. Although I mentioned that at the time to the all-party group, I am not sure whether the Minister has managed to find any further information on it.

On the ICES figures for the past few years, although the council recommended a total allowable catch of 732,000 tonnes in 2006, the quota was 967,000 tonnes. The advice the following year was for a higher figure. The figure for mackerel followed a similar pattern. Perhaps we need to be more dynamic. Mention has been made of the horse-trading at the fishing talks. Perhaps we need to move to a more dynamic and, as it were, liquid period for quota-setting. When it becomes apparent from the evidence over the year that the quotas are not as poor as expected, perhaps some adjustment could be made.

Finally, I would like to point out to the Minister the dynamism, which has been alluded to a couple of times, not only of the Scottish Executive but of fishing innovation in Scotland, with real-time closures and the lead that Scotland is giving the EU. Under the CFP, Scotland has 70 per cent. of the UK quota, two thirds of the landing, 70 per cent. of the effort and all the expertise that comes with that—as well as, perhaps, some of the expertise of Scottish Ministers, which the hon. Member for Great Grimsby (Mr. Mitchell) mentioned. Should the Minister not therefore give some consideration to allowing the Scottish Minister, Richard Lochhead, to lead the negotiations at the EU, no doubt ably assisted by the Minister himself? I say that with the greatest of respect to the Minister.

5.51 pm

Jonathan Shaw: I am grateful for the opportunity to reply to this debate, although I now have just nine minutes to respond to all the contributions that have been made. I thank all hon. Members present for wishing me and my colleagues from the devolved Administrations well when we enter into those negotiations.

The hon. Member for Leominster (Bill Wiggin) is a fine chap. He gave us an entertaining speech, which was big on rhetoric but small on policy. He promised big fish under the Conservatives, but he would not say that there would be a minimum landing size for bass. He also asked whether I supported the fishermen or the scientists. At that stage he became completely isolated in the Chamber, because all the contributions that we have heard from colleagues today have emphasised the need for partnership between the scientists and the fishermen. That is how we made progress and that is how we marshal our arguments, not by going back to the old days of polarised positions, which would not do the hon. Gentleman any good and is certainly not something that the fishermen want to hear, either.

Bill Wiggin: Will the Minister give way?

Jonathan Shaw: No, I will not give way.

The hon. Gentleman castigated us over discards. Although 8,000 tonnes in the North sea in 2006 is not acceptable, it is reasonable for me to point out that there were 33,000 tonnes of discards in 1997 and 99,000 tonnes in 1994. Discards are not new. As I said earlier, it is important to bear in mind that one of the reasons for discards is that we have a mixed fishery. Fishermen themselves will say that, particularly in areas such as the south-west, where there is a range of different fishes. Fish swim together, so discards will happen. Minimum landing sizes are also a cause. However, where there are valuable stocks of cod, for instance, we need to take action, and we will take action.

The hon. Member for Orkney and Shetland (Mr. Carmichael), who represents a fishing community, spoke passionately. He referred to the pain that many in the industry have suffered owing to the reduction of effort. However, I have heard from fishermen in Scotland that things have been good for the past two or three years. Obviously, they do not want to go back; they want to continue to go forward. There has been a reduction in capacity, and in the amount of fish that we catch. In 1987, we took 170,000 tonnes of cod out of the North sea. Last year, it was fewer than 20,000 tonnes, so of course people are concerned. Interestingly, however, the value of the landings in 1987, which were considerably larger, was around £600 million. It is about the same today, so we are getting more money for fewer fish.

The hon. Gentleman talked about the EU-Norway settlement, and about discards. He mentioned days at sea; I think that I explained my views on that during my

[Jonathan Shaw]

earlier speech. He also mentioned nephrops, although I was told when I was in Scotland that they are Scottish langoustines, and I now always refer to them as such. Indeed, I have enjoyed a plate of Scottish langoustines with Richard Lochhead, and very nice they were, too. He talked about the importance of megrim, about mackerel, and about looking at the science. He also gave us his good wishes, and I am grateful to him for that.

My hon. Friends the Members for South Thanet (Dr. Ladyman) and for Hastings and Rye (Michael Jabez Foster) represented the under-10 m fleets in their constituencies. I recognise that there are huge challenges faced by the under-10 m fleet, and I have met a number of colleagues, including the hon. Member for Leominster, to discuss the problems. We all want to resolve them. We must get the under-10 m fleet on to a sustainable footing. I have said to the fishermen in South Thanet, and I say again here, that I am not top-slicing. People have quotas and I am not going to top-slice. We need to find other arrangements. I want a better relationship with the producers' organisations and with the under-10 m fleet. There are opportunities throughout the year for gifts, and perhaps we can put that arrangement on a regular basis. I have met those involved and they say that they want to do that. That is not the whole picture, but it is part of it. We know that a small number of under-10 m boats take a large proportion of the quota. My hon. Friend the Member for Hastings and Rye mentioned decommissioning, and there might well be an opportunity for a small amount of targeted, focused decommissioning.

My hon. Friend the Member for South Thanet talked about fishermen's markets. We have to develop that idea; it is something that sea fishermen could do. We have seen the success of the farmers' markets, and that could be replicated by fishermen's markets. My hon. Friend the Member for Aberdeen, North (Mr. Doran) mentioned the good prices that could be obtained for fish, and the quality of fish. He also mentioned new partnerships, which are absolutely essential. He talked about the importance of the processing industry for his constituency, about sea fish and about training. He also talked about the difficulty of waste disposal in the nephrops and shellfish industry. I am aware of those difficulties, as I have met representatives of the industry. That is something that we need to look at.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) talked about the proud history of his fishermen and also, quite rightly, paid tribute to our lifeboatmen and to the sacrifices that they make. He also mentioned whaling. We have condemned Japan for its recommencement of whaling, and he and the rest of the House will be hearing more on that issue. He kindly invited me along to a great party—

Mr. MacNeil: And the rest of us.

Jonathan Shaw: Indeed. He said that, after the party, we could all go out to sea, but I am not sure whether that would be very wise. He also made some thoughtful comments about aggregates and applications.

The hon. Member for Argyll and Bute (Mr. Reid) talked about nephrops and about the 28 days at sea issue. I will correspond with him on that, as we are aware of the issue that he mentioned. The hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) also mentioned it. We will be taking on that issue.

We also heard from my hon. Friend the Member for Reading, West (Martin Salter), who talked about coarse fishing and about the fact that there are more fish because the rivers are cleaner. He said that he is now catching bigger fish, which is good news, and that the salmon stocks are recovering. He also pointed out, however, that there was no room for complacency, as some rivers still needed to be cleaned up.

The hon. Member for Congleton (Ann Winterton) talked passionately about her position on the common fisheries policy. She has always been consistent on that, although we differ on this occasion. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) spoke about the regional advisory councils. I can tell him that I have brought the National Federation of Fishermen's Organisations and the Scottish Fishermen's Federation together with representatives of all the devolved Administrations, and that those discussions have been productive.

The hon. Member for Na h-Eileanan an Iar referred to his fishermen, monkfish, haddock and the 28 days at sea issue. He also mentioned who should take the chair in the discussions. Who should take it? It should be the elected UK representative, who is me, but I will work in partnership with my colleagues in the devolved Administrations.

Question put and agreed to.

Resolved,

That this House has considered the matter of fisheries.

DELEGATED LEGISLATION

Motion made and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

Criminal Law

That the draft Crime and Disorder Act 1998 (Additional Authorities) Order 2007, which was laid before this House on 6th November, be approved.—*[Mr. Michael Foster.]*

Question agreed to.

Rail Services (Enfield, North)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

6 pm

Joan Ryan (Enfield, North) (Lab): I am grateful for the opportunity to raise the subject of rail services to my constituency of Enfield, North. There are four sections of line serving the constituency. Apart from the loop line from King's Cross and Moorgate to Hertford and Stevenage, which has a suburban service operated by First Group—serving stations at Enfield Chase, Gordon Hill and Crews Hill—all the other sections of railway are part of the Liverpool Street to West Anglia routes with stopping services operated by One. That has three sections of line in Enfield: the Enfield town line; the Southbury and Turkey Street loop to Cheshunt; and the West Anglia main line, which not only carries the Stansted express and through-trains to east Anglia, but provides local trains serving Brimsdown, Ponders End and Enfield Lock.

I refer to these services as essential because, unlike the situation in many other parts of north London, there are no rail alternatives for commuters from Enfield, North. The underground does not extend as far as Enfield, North and road transport into central London is barely an option, because of congestion, travelling time and the obvious environmental issues associated with heavy road traffic.

Until 2004, the train service through my constituency was operated by West Anglia Great Northern—WAGN. In 2004, One Railway, a member of the National Express Group plc, won the franchise for lines on the eastern side of Enfield North, while in 2006, First Capital Connect took over the franchise for the western routes. Under WAGN's control, my constituents frequently experience delays, cancellations and severe overcrowding on their trains, with very little passenger information provided and stations very much in need of refurbishment.

Where are we today? Perhaps I can start with an overview of the King's Cross-Moorgate-Hertford line. The main problem facing the loop line is capacity on the trains, and there are two main causes. The train lengths do not cope well with the recent and continuing growth in passenger use, including an expected 14 per cent. increase in passengers up to 2016, yet the Moorgate branch is limited to some six coaches. There is also a timetabling problem in going towards London that limits the ability to run more trains, as there only two inbound tracks between Alexandra Palace and Finsbury Park for all high-speed outer suburban and inner suburban services—instead of the three tracks in the direction away from London. Problems are also caused by a lack of track access.

West Anglia is one of the most severely pressurised rail corridors in the country, supporting a busy suburban network in north London, Essex and Hertfordshire as well as express services to Stansted airport and East Anglia. It serves one of the fastest growing regions in the UK, including the London-Stansted-Cambridge-Peterborough growth corridor, and the existing track struggles to cope with the travel demand. That can only get worse with an exceptionally high growth in passenger usage of 37 per cent. forecast by Network Rail by 2016. For the most part, the railways forming the West Anglia route network have just two tracks—one in each direction, with a short four-track section between Hackney Downs and Bethnal Green, but only two tracks into Liverpool Street.

In outer London, the West Anglia mainline timetable is a compromise between passenger demand and operability, which means having to mix fast and slow trains on the same track. Current services are susceptible to major delays for some very minor problems. This week, for example, a broken down train at Cheshunt in the morning peak led to a suspension of service and major disruption for thousands of commuters. If Network Rail proceeds with four-tracking, as proposed in its strategic business plan, such disruption and delay need not occur. I hope the Minister will be able to say something about that.

I welcome the Government's commitment to creating a rail network that provides a fast, reliable and efficient service, particularly for inter-urban journeys. I know that more than £10 billion will be invested in enhancing capacity between 2009 and 1014, with overall Government support for the railway totalling over £15 billion, and I know that that represents a higher level of investment than existed in 2004-09 with a lower level of public expenditure. I welcome that degree of commitment to improving our railways. However, as the Minister knows—we have exchanged correspondence, he has been very helpful in discussions with me, and I know that he is pursuing the point further—I am concerned about the fact that the investment is not being translated into tangible benefits for my constituents who use the One Railway services.

I have already outlined the major problems, but according to the Office of Rail Regulation, One Railway received a £2.9 million subsidy for 2006-07, which appears to translate into only 0.1p per passenger kilometre. That seems very low in comparison with other rail operator subsidies. Moreover, it is a premium service, and One Railway will have to start paying money back to the Government rather than receiving a subsidy. In the light of that, I wonder about its bid. If the problems that I have described exist now, how is the position to improve with a lower level of subsidy, when the company has to start paying that money back to the Government? While I approve of the overall principle in relation to premium services, I am very concerned about that particular service, and about the One Railway franchise on the basis of its bid.

My postbag is regularly full of letters from angry and frustrated constituents who are fed up with the poor train service that they are experiencing. I therefore conducted a survey to gauge the most up-to-date views of local commuters and hear what they had to say about our local rail services. Over the past week I have been inundated with replies, and they are still pouring in. I thank all my constituents who took the time and trouble to complete the questionnaire. So far about 15 per cent. of people have responded, which I think everyone would agree is a high level of response, and which, unfortunately, demonstrates the level of dissatisfaction. I also thank a number of groups in my constituency—Enfield Disability Action, Enfield transport users group and the Enfield Lock action group—and councillors Chris Bond, Toby Simon, Geoff Robinson and Del Goddard for their ongoing work and support in seeking improvements in our rail service in Enfield.

[Joan Ryan]

According to the findings of my survey so far, most Enfield commuters recognise that some improvements have been made by One Railway and First Capital Connect. First Capital Connect has told me that it is

"committed to providing customers with the best service"

that it can provide, and believes that it has made "real and tangible progress" in tackling issues such as performance, punctuality and quality of service. We have seen some improvements to both Enfield Chase and Gordon Hill stations, but as they were in a pretty poor state of repair originally, we started from a very low base. I believe that further improvements are planned for all three stations over the next few years, and very necessary and welcome they will be. As I have said, rolling stock is a problem: we need longer trains.

When One Railway took on the franchise for the Great Eastern line, it aimed to make improvements to the timetable and upgrades to stations and rolling stock. It made a commitment to invest £11.3 million in station improvements on the overall lines, with 50 of the 250 stations to be upgraded within 18 months. One Railway asserts that the Lee Valley area, which includes Enfield, has seen

"a vast improvement in services".

However, that too was from a very low base, and it must be said that most of the correspondence I receive about rail services in Enfield concerns One Railway. Yes, I receive complaints about First Capital Connect, but the vast majority are about One Railway, and they are often much more serious complaints.

Improvements across both services are a step in the right direction, but a major problem that is still experienced on both networks, but particularly on the One Railway service, is delays and cancellations. According to my survey, all rail users in Enfield complain of delays and cancellations, but particularly users at Enfield Chase on the First Capital Connect line, and Enfield Lock, Turkey Street and Brimsdown on the One railway line. Constituents tell me that trains are often withdrawn without any explanation, sometimes hours in advance, and the public are not even informed. In fact, One Railway has told me that there were 22 cancellations in the space of just four weeks in September and October this year.

Delays are particularly problematic during the peak-time service from Ponders End into London Liverpool Street station, which constituents tell me is often late four days a week. Meanwhile, on the Turkey Street and Southbury line, constituents have noted daily delays—interspersed with cancellations—of 5 minutes, 10 minutes, and on several occasions half an hour. On the First Capital Connect service, the 9.14 at Enfield Chase is late on an almost daily basis and regularly cancelled—which in fact means that it often flies through the station without stopping, which is incredibly frustrating for constituents, presumably because it wants to make a target time at its point of destination. This happens at peak time for services.

Understandably, these problems continue to cause regular, and sometimes serious, overcrowding on the trains. We already have a capacity problem, and the running late and the not stopping make it worse. This is an issue which 73 per cent. of people I surveyed in Enfield said they often experience—a figure which is simply too high. While there have been some additional trains to Enfield Lock to help address some of this problem—as I have said, only four-tracking will ultimately resolve this issue—those using Brimsdown station are particularly affected by overcrowding, as there have been no additional stopping trains along that part of the line.

Indeed, in the survey results that I have collated to date, 90 per cent. of commuters said they often experience overcrowding at Brimsdown station. With over 200,000 passenger journeys through Brimsdown, this is a very serious matter indeed. An increase in residential development on the former industrial sites in the Brimsdown area, and up the eastern side of Enfield generally, has meant that more people need to use the train service. One Railway must meet that demand. More commuters mean more money for One Railway, and we want to see improved services as an absolute priority.

First Capital Connect has told me that it is working to maintain what it considers to be "exceptional" punctuality and reliability on the route, while One has told me that its main priority is to maintain the improved performance of the service. My constituents feel they are being taken for a ride—but not a ride on a clean reliable service that runs to time. Many Enfield residents using these services are regularly late for work and other engagements, which simply is not good enough. We have also had problems with changing timetables, and huge amounts of pressure has had to be applied by local groups and people to get reasonable timetables reinstated. Sometimes in peak running times a whole hour will pass without a train, which is totally unacceptable.

Another problem brought to my attention is customer service at some of our local stations. While conducting my survey, I was at Enfield Lock station just two Fridays ago from 7.30 through until 9 o'clock. There was only one member of staff issuing tickets. The ticket machine was not working, which I understand is a regular occurrence. There was a huge queue of people wanting tickets, stretching out of the station. The train comes in, and their choice is either to get on the train without a ticket or miss the train. A large number of them regularly miss their train for that reason, which is unacceptable.

I understand that First Capital Connect is planning to reduce staffing at Enfield Chase station and three other stations on the line. At present, we have one full-time and one part-time member of staff at Enfield Chase, and two ticket windows open during peak times. The plan is to get rid of the part-time job, so we will have one ticket window open. Already in peak time the queue often goes out of the station and on to the pavement—which means a queue of roughly six, 10 or 12 people. It would be completely unacceptable for one ticket window to close because the number of staff was reduced. Train operating companies tell us that they are trying to improve customer service, but this is a peculiar way of doing that. People who live around Enfield Chase and use the stations on the line will be outraged at this shameful decision, and I urge First Capital Connect to rethink it.

As I have said, the state of the rolling stock is also a concern. I understand that First Capital Connect is refreshing its entire fleet of trains, and that is most

welcome. I am not sure when it will happen, so a little further information would be helpful. I believe that there are also plans to replace rolling stock on the West Anglia routes. I ask that the local stopping services be given the new trains rather than just the older fast through trains. It is not the fast through service alone that should be given the new trains, because that would be unfair and unacceptable—although that is what seems to happen. We should not be second-class citizens in terms of our trains and travel, simply because we use a local service and the fast through trains presumably provide more of the income.

The lack of access for people with mobility impairment is another issue that needs to be addressed. The Enfield Disability Action group has described spontaneous travel by rail as "impossible". Of the nine stations situated in my constituency, only three are accessible—the other six all have steps up to the platform. Disabled people who wish to use the train service are required to notify the train operator 24 hours in advance of their journey, because often no staff are on site to assist—that is true even where there are no stairs. It is wrong that disabled rail users face that situation, and the issue must be addressed.

Obviously, I cannot cover every issue today. I have tried to put both the positive case and my constituents' problems. I think that the Minister would have to agree that there are many problems and that the solutions are a long time coming down the line. I want to mention safety, because I am regularly informed by rail users that CCTV at stations is not working. As I have mentioned, stations are often not staffed and constituents have told me that there is also a persistent problem of yobbish behaviour on the trains. I am pleased at the work that the British Transport police are doing with our train operating companies. We would benefit from that being stepped up.

I ask the Minister and the Government to share our determination, and to call on First Capital Connect and One Railway to fulfil their commitment to delivering real improvements for their customers and for the people of Enfield, who have a right to expect that. I spoke out last year against the disproportionate rail and tube price hikes—in some cases there was a 30 per cent. increase—and the people in Enfield do not feel that they are getting a service that could possibly justify those increases. I hope that the Minister will be able to address these issues, and I must impress upon him that this is a serious problem, because the overground rail service is the main way in and out of Enfield for most people there.

6.18 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I congratulate my right hon. Friend the Member for Enfield, North (Joan Ryan) on securing this debate and providing us with an opportunity to discuss some important issues. I pay tribute to her for the huge amount of work that she has done on behalf of her constituents, who are also members of the travelling public. One example of that work is the survey that she mentioned. I am aware that she has had a surprisingly large response to it. The information that she has gathered will doubtless help her, and I hope that it will help me as the Minister responsible for rail services. If she wants to discuss any of the issues raised in the survey after this debate, I would be happy to do so.

I am not sure that I will be able to address all the many important issues that my right hon. Friend raised. I will do my best in the time allotted to me, but if I am not able to cover them or she wishes to raise any other issue, I will be happy to meet her at a time convenient to both of us.

My right hon. Friend mentioned the doubling of track on part of the Lea valley line. She will know that consideration has already been given to doubling part of the track to provide additional capacity in relation to the extension of Stansted airport. Funding decisions for that work will have to await the outcome of the British Airports Authority inquiry into airport expansion, which will not happen until 2008.

My right hon. Friend also mentioned franchise payments, an issue that she and I have discussed elsewhere. I do not accept the argument that a particular train operating company's performance should be judged according to the level of subsidy that it receives. There are many freight train operating companies that pay premiums rather than receive public subsidy, and there should be no difference in the level of service that those companies provide compared to those companies that receive a public subsidy. As it happens, One is committed to paying a premium over the length of its franchise. There are particular and anomalous reasons why it was given a subsidy of £2.9 million in the year that she mentions, the details of which I shall not go into tonight. It is an area for more discussion between us.

In addition, my right hon. Friend talked about rolling stock allocation and made a powerful argument for new rolling stock on her lines. It is not appropriate for Ministers or civil servants at the Department for Transport to decide on every occasion which part of the new rolling stock procurement—which is being procured through the high-level output specification—should be allocated to which line. Those are decisions best taken by the TOCs themselves, and the rolling stock plan will be published in January in consultation with the train industry. The plan will give more detail about the allocation of the new rolling stock.

My right hon. Friend talked about the problem of late trains not stopping at, and therefore not serving, stations in her constituency. TOCs have targets and are incentivised not to miss out particular stations. Such a service counts against the efficiency targets of the TOCs. I am happy to discuss that point further with her and with the managing directors of the companies that she mentioned.

My right hon. Friend also talked about the importance of access to train stations, and that is crucial. She will know that the Government have launched an access for all strategy, which will make available £370 million in funding over 10 years to provide access arrangements for people who are incapacitated in some way. So far, 92 stations in England have been identified to receive part of that money and another tranche will be announced this month. I expect that right my right hon. Friend would welcome the inclusion of any of her stations in that. The method for identifying stations to receive access for all funding is based on the incidence of disability as identified in the 2001 census, weighted according to footfall. We try to ensure that we attend to the stations that most need that money.

In terms of ticket offices, my right hon. Friend will be interested to learn that we have not had any request from First Capital Connect or One to reduce the

[Mr. Tom Harris]

number of hours that ticket offices remain open. It is a condition of the franchise agreement that requests for reducing the hours of ticket offices come to the Secretary of State.

The First Capital Connect franchise commenced on 1 April 2006, bringing together the former Thameslink and Great Northern franchises. The franchise has a maximum length of nine years, but there are two points during the franchise term which could result in the franchise ending at an earlier point. I am aware that my right hon. Friend's constituency is served by First Capital Connect Great Northern services on the Hertford loop from Moorgate.

Performance on First Capital Connect has improved consistently since the company started operation and the franchise has also delivered all its commitments up to this point. The latest period for which complete performance data are available shows that First Capital Connect achieved a public performance measure—the industry standard measure—of a moving annual average of trains arriving on time of 88.69 per cent. That represents a 1.78 per cent. improvement on the joint performance improvement plan target agreed with Network Rail for the period. Overall in the year to date, First Capital Connect's public performance measure, or PPM, for the moving annual average is 0.77 per cent. better than the joint performance improvement plan.

I would add that the previous eight weeks are traditionally difficult for the rail network because of leaf fall and the effect of leaves on the line, which causes a drop in performance throughout the country. In the railway period from 19 August to 15 September this year, First Capital Connect delivered 96.04 per cent. PPM on the Great Northern route, which represents the best PPM figure for the route since franchising began in the early 1990s.

First Capital Connect's delay minute moving annual average has reduced from 11,344 delay minutes per period when the franchise started to 9,717 delay minutes. In addition, in 2007 First Capital Connect has delivered a 15 per cent. reduction in fleet failures and a 40 per cent. improvement in cancellations compared with 2006. The franchise agreement requires First Capital Connect to meet three performance benchmarks: cancellations, capacity and delay minutes. The train operating company has complied with all those in each railway period since the franchise began.

As required in the franchise agreement, First Capital Connect has invested heavily since April 2006 to improve customer service, security and station quality. The Department for Transport has ensured that First Capital Connect has fulfilled its obligation to invest £16.1 million in the first year of its franchise. That includes £2.8 million on improving the quality of stations by refurbishing waiting rooms and toilets, installing new waiting shelters and repainting many of the stations that it operates.

I am aware that Enfield, North is also served by the One franchise. The franchise finishes on 31 March 2011. There is a continuation review period that runs from November 2008 to November 2009. If One meets its performance targets during that period, the franchise is automatically extended to 31 March 2014. Performance on the franchise has improved since the franchise commenced and all franchise commitments have been delivered to date.

I know that my right hon. Friend wanted me to address other issues and I apologise that, in the time left, I will not be able to cover them all. As I said at the beginning, I am more than happy to meet her to discuss some of the outstanding issues. Rail travel in the south-east is in a healthy state. There continues to be strong demand for travel in the region, much of it focused on movements to and from London, although increasingly the market is growing in urban areas away from the capital. As demand increases, capacity provision becomes a greater challenge. The Government are addressing that challenge by means of the policies I have outlined here and that were outlined when we published our high level output specification in July of this year. There has already been significant investment in new rolling stock and refurbishment programmes designed to provide a more appropriate environment for London commuters to travel to work.

The Department for Transport remains committed to providing additional capacity, and supports the delivery of innovative and pragmatic solutions to address the issue. The off-peak business and leisure markets represent a huge opportunity for the railway to increase its market share, and this is promoted further by the congestion difficulties faced by road users in the region. As we have demonstrated through recent franchise awards, the franchise replacement process provides a good opportunity to bring about improvements to capacity and service provision and to ensure that the taxpayer receives good value for money.

Having said all that, I take right my right hon. Friend's criticisms on board. The issues that she raised are extremely important to her and to her constituents. Ministers must never forget that the whole point of providing a railway service is not for politicians, or the media, but for passengers.

Question put and agreed to.

Adjourned accordingly at half-past Six o'clock.

Westminster Hall

Tuesday 27 November 2007

[MR. DAVID AMESS *in the Chair*]

Energy Policy

Motion made, and Question proposed, That the sitting be now adjourned.—*[Malcolm Wicks.]*

9.30 am

Mr. William Cash (Stone) (Con): I sought this debate with deep concern and in the knowledge that the United Kingdom will face an energy crisis unless action is taken soon. Energy is the lifeblood of the nation; it affects our business community, enterprise, domestic heating and, indeed, life itself. The old and the infirm, hospitals, rail travel, schools and everything that moves—the entire economy—can do nothing without energy. It is also a weapon of foreign policy, or can be used as such. The bottom line is that we need a continuous supply of this vital commodity and to maintain relative energy independence from other nations.

The UK desperately needs an energy policy. Despite the length of this summer's energy White Paper—it runs to 342 pages—it dealt much more with what we need to do than with how to do it. It was largely mute on how investment from UK companies is to be stimulated and encouraged in order to build new power stations and energy infrastructure. It has been 10 years since I secured an Adjournment debate on the future of British coal reserves in the coal industry—this is not a new subject for me—and 15 years since I voted, with only three others, against my own Conservative Government's pit closure programme and the then much-heralded dash for gas. I firmly believe that many of the economic issues that this nation faces will be guided and determined by our ability and capacity to provide households and businesses with the lowest priced energy possible. I do not resile from my decision to vote against my own Government.

Our over-dependence on expensive gas for the generation of electricity is placing more households in fuel poverty, which is when more than 10 per cent. of household income is spent on energy bills. That over-dependence on gas is also jeopardising the UK's safety and security of energy supply, because more and more gas is being imported from Russia, the middle east and north Africa. We have seen already the effects of the new politics of energy. When Russia shut off the gas supply to Ukraine early last year, it caused a massive spike in gas prices by interrupting one of the main supplies into Europe. That over-dependence on gas should make us aware of the precarious situation that we need to avert quickly by taking the correct energy decisions now.

I am concerned also about the fact that the EU reform treaty, which the House will debate soon, contains a new energy chapter and essentially the same provisions as those in the original constitutional treaty. It also adds a new element to the policy—the interconnection of energy networks. As was the case under the original constitutional treaty, energy measures cannot affect a member state's right to determine conditions for the exploitation of energy resources, its choice of energy resources or the structure of its energy supply. However, environmental measures—I am told that we will discuss the planning statement this afternoon—can affect such matters. Although such matters are governed by unanimity, the doctrine of the "occupied field" could severely inhibit the manner in which we can legislate. If the new energy chapter goes in, albeit unanimously, we would remain in a very difficult position should we seek to legislate on our own terms—something that I insist upon, because Parliament has to have sovereignty over its energy policy and legislation.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I thank the hon. Gentleman for his commitment to the coal industry. He mentioned our over-dependence on gas. As he will be aware, we are likely to experience an energy crisis between 2012 and 2015 because of the simultaneous closure of coal and nuclear stations. Some 40 per cent. of our electricity is provided by gas, and during that crisis, and before we bring on new nuclear stations, the Government are likely to accept section 36 applications for many more stations. By the end of 2015, therefore, we might well be even more dependent on gas. Does the hon. Gentleman therefore agree that the Government ought to take the line that a sufficient number of gas stations are now providing electricity and that no more gas stations should be brought on?

Mr. Cash: I agree with the hon. Gentleman, and that point will become clearer in the light of what I have to say. I pay tribute to his work as the chairman of the all-party group on coalfield communities, of which I have the honour of being vice-chairman. I believe strongly that his work and focus on such questions is of inestimable importance to the national interest.

It is clear now that the irresponsible claim, made in October 1992 as part of the justification for the coal closure announcement, that the country's gas reserves were sufficient for around 55 years was wrong and misleading. That announcement was led by the then Minister with responsibility for such matters, the now Lord Heseltine. I vigorously opposed him and the then Government, who have a great deal to answer for on this matter. Among other things, they binned the former Energy Select Committee, which should be recalled in order to focus specifically on the questions being discussed today. I accept that energy has been enveloped by another Select Committee; however, we need a special focus on it.

British gas reserves are in decline and we now face increasing gas prices, coupled with increasing oil prices, which is having an upward impact on the price of electricity. We are at risk of putting all our energy eggs in the gas basket.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am learning a lot from my hon. Friend. In the last year or so, gas prices have fallen because new import infrastructures have come on stream. I have spoken to people in the energy industry, and their outlook for the next three to five years is that there will be relatively low gas prices.

Mr. Cash: That is because of imports, but we must have regard to the impact of over-dependence on supplies from elsewhere. Part of the problem is the great insecurity and uncertainty over Russia, along with German control of the pipeline system, which was evidenced by the fact that Mr. Schröder's first act after leaving the chancellorship of Germany was to take up the chairmanship of one of the most important divisions of Gazprom. If that does not tell us something, I do not know what does. We must also consider the insecurity and instability in the middle east. I recognise that my hon. Friend has a constituency interest in this matter and that we should welcome imports. However, that does not mitigate the fact that we are facing increasing gas prices over the medium and long term as well as a lack of supply security.

We must incentivise new clean coal and nuclear build. Only last month it was announced that one quarter of the country's nuclear power stations are to be shut down because of safety issues. News of the shutdowns led to fears of possible power shortages and made electricity prices on the spot market spike by 17 per cent. As recently as 14 November, the national grid issued a flash warning that there might not be sufficient spare generating capacity to meet any unexpected surge in electricity demand the following day.

The days when Britain could rely on plentiful gas from the North sea are gone. Indeed, in recent years, Britain has fallen back on relying on coal generation of electricity to see it through. I represent a constituency in north Staffordshire, which was one of the jewels in the coal mining crown. Florence, Silverdale and Trentham collieries were big hitters, often beating their annual production targets. As I have already said, I vigorously opposed the closures of Silverdale and Trentham collieries, both of which had substantial reserves. I might add that I also challenged Arthur Scargill when he was doing an enormous amount of damage to our local industry in Staffordshire. I went on a platform, took the microphone away from him and told him to lay off my miners. In other words, I do not just choose my targets—I try to get the balance right across the board.

I was aware then, as I am now, that those pits represented a part of Britain's future energy security. At the moment, we also have a very interesting situation developing in Kent. All I can say is that I sincerely hope that the planning paper being presented today will give us a real opportunity to make certain that the development of clean coal technology is given a fair opportunity and is not in any way diminished by the planning proposals that we shall hear about later today.

I would like to set out how I believe that coal can and should enjoy a renaissance in the energy sector. I am speaking not out of nostalgia, but in the light of the new technologies that allow us to reduce the fuel's carbon emissions radically. The fact is that coal generates the cheapest electricity on the grid and allows us to use an indigenous energy asset that Britain enjoys in abundance. Furthermore, if the coal supply is properly calibrated, it would guarantee that in any international crisis, we would not be over-dependent on other countries if that crisis worsened. That idea is absolutely fundamental to my argument; we must not be over-reliant on other countries.

Mr. Crabb: Can my hon. Friend give a sense of what he means by over-dependence? Is he arguing that we should make it the goal of British energy policy to be self-sufficient and energy-independent? I would argue that that is unrealistic. Alternatively, is he saying that we should achieve a better energy balance? If his argument is about achieving a better balance, what proportion of energy imports would constitute over-dependence?

Mr. Cash: It is almost impossible to arrive at a calculated formula that would give an answer to the latter question. However, I do favour the idea of a proper balance of policies; I am not suggesting that we should just have one policy. As I said earlier, energy is the lifeblood of the nation and we must have a safeguard, so that if we were put in a perilous situation, we would know that we were not in a hazardous position and that we would be able to maintain energy supplies across all the domestic fields that I listed earlier. Therefore, I am arguing for balance—I am not saying that our energy policy should be based exclusively on coal. However, if there were perilous circumstances, we need to know that we could rely on a proper and proportionate amount of coal to guarantee that we were not put in an unduly hazardous situation.

Coal still plays a very important part in electricity generation in Britain. In an average year, it produces more than 35 per cent. of the UK's base load electricity. As I have already indicated, in recent winters, which have been quite mild, that figure has risen to as much as 50 per cent. Coal has many advantages. It is plentiful, indigenous and can be stockpiled; it is comparatively cheap, flexible and responsive to peaks and troughs in demand; and, unlike gas imports, it is not vulnerable to geopolitical risk. Only nuclear power can match those advantages. However, current coal-fired power stations were considered environmentally unacceptable because of their substantial carbon emissions—until new clean coal technologies emerged. The Government cannot avoid providing development and support for those new technologies if they genuinely wish to create a balanced energy portfolio.

The UK has the opportunity to be at the forefront in developing such technology. I welcome the Anglo-Chinese clean coal agreement, which was announced last week. I also welcome bringing in other kinds of imported opportunities for supply, which can lead to a better energy policy. At the same time, however, if the United Kingdom is to avoid an energy crisis, we must place clean coal at the heart of our future energy policy and stimulate investment in the development of our substantial reserves.

Willie Rennie (Dunfermline and West Fife) (LD): I have a particular interest in the carbon capture and sequestration project that the Government announced recently, because Longannet power station, the second largest coal-fired power station in Europe, is in my constituency. There are, however, a couple of concerns about the project: first, only one successful project has been proposed as part of the competition; and secondly, the Government have not been clear enough about what is required from the competition. Does the hon. Gentleman have any comments to make about that?

Mr. Cash: Yes, I do, and I have no doubt that the Minister will reply to and deal with that issue. The point is that we have reached a watershed, and the need to accelerate and incentivise clean coal technology is a matter of extreme national importance. It is no good saying, "We have got a balance because we are taking some interest in this"; it is a question of proportionality. There has to be clean coal, and there must be a proper system that takes account of the problem that the hon. Gentleman just mentioned. Having said that, however, I think we need more, not less, emphasis on this issue.

Mr. Crabb: Could it not already be too late in the day to bring forward clean coal technology? The point has already been made powerfully that the crunch will come in the next 10 years, with the retiring of old coal-fired and nuclear power stations. In the absence of commercially viable clean coal technology that can help to bring on a new generation of coal-fired power stations, the industry will in the meantime introduce low-cost, low-risk solutions, meaning yet more gas-fired power stations.

Mr. Cash: I recognise where my hon. Friend is coming from, but I repeat what I have said already: we must have a proper balance. The emphasis on clean coal technology is disproportionately diminished, and I want this debate to generate some interest in that issue.

Estimates of coal are not made annually in the same way that they are for UK gas and oil reserves, but it is important that the House be made aware of some recent industry estimates. In 2006, the Coal Authority estimated that there were more than 600 million tonnes of coal in established and accessible UK reserves. Importantly, in British Coal's 1992 annual report, it estimated that 190 billion tonnes of coal lay underneath the UK, of which 45 billion tonnes could be extracted using the then known techniques. Of course, a lot of progress has been made since. British Coal estimated that the pits then open—before the 1992 closures—had 1.1 billion tonnes in classified reserves that could be economically extracted.

To put those estimates in context, total UK coal output between 1853 and 2006 was only 22.7 billion tonnes. That gives us some sense of what is left now—even after the whole industrial revolution and two world wars. Some 22.7 billion tonnes has been used since 1853, and the estimate is that 190 billion tonnes of coal lies underneath the UK now. To make coal-fired power stations more efficient and less polluting, clean coal technology uses equipment such as super-critical boilers that can be retrofitted to Britain's ongoing coal-fired stations.

However, the most exciting prospect is the so-called carbon capture and storage process, which the hon. Member for Dunfermline and West Fife (Willie Rennie) mentioned. That involves capturing carbon dioxide before it is released into the atmosphere, turning it into a liquid and storing it in old oil or gas fields under the sea. One positive by-product of injecting pressurised gas into such depleted fields could be the further extraction of oil reserves—a process known as enhanced oil recovery. The Treasury would be the obvious winner in such a process.

The main types of carbon capture technology are defined by whether the carbon is removed before or after the coal is burned—pre-combustion and post-combustion. There are pros and cons to both techniques. Post-combustion uses more energy than pre-combustion and the equipment is more considerable, requiring more land to be available at each power station, but pre-combustion is suitable only for new coal-fired power stations.

I was disappointed to note that, as I understand it, the Government have decided to back only post-combustion clean coal technology; no doubt the Minister can confirm that. It is important that incentives and overt Government support also be given to pre-combustion, which will allow us effectively to turn coal into gas and remove 90 per cent. of CO_2 emissions for sequestration. Such clean coal stations, known as integrated gasification combined cycles, represent a near zero-emission coal solution for the UK, which is quite a prize. I firmly believe that there should be more encouragement from the Government for such projects, and I await the Minister's comments on pre-combustion technologies.

While modernising existing stations is to be welcomed, we should also support brand new designs and therefore new build, which would allow us to use our coal well into the future. New power stations that gasify coal represent the only process that changes one form of energy—coal—into another, more flexible energy: hydrogen gas. As the Minister will know, hydrogen is becoming increasingly important in new technologies such as those possible in air travel and the motor car. Those technologies are important and we need to develop them. The benefits are clear. In addition to providing a clean, reliable and local source of power, the gas does not have to be fired to generate electricity, but can be injected into the gas network and thereby improve our gas supply position—I pay tribute to my hon. Friend the Member for Preseli Pembrokeshire Mr. Crabb) for his interest in gas—and our negotiating position with gas importers. The Minister and his Department must do more to encourage that process and those working to bring it about in the UK. Coal-rich countries such as the United States and Australia are streets ahead in their support for the technology.

Electricity generated from coal offers a number of strategic advantages for Britain. It ensures that sustainable and competitively priced electricity is available to UK customers; it offsets security risks and the costs of importing increasingly expensive gas from the middle east and Russia; and it has proven over many years its ability to meet rises in electricity demand, compared with the less predictable output from renewables. The Government have produced a statement on that in the past week or so. With new clean coal technology installed at new and existing powers stations, it can also help to foster a high-growth, low-carbon economy.

The UK has an installed electricity generating capacity of 77 GW. However, much of it will come off stream in the next decade as older nuclear and coal stations are decommissioned. Unless capacity problems are addressed rapidly, the UK could face an estimated 33 GW electricity generation capacity shortage by 2016. That, in short, represents the energy crisis that I mentioned earlier. EDF Energy argues that that

[Mr. Cash]

generation gap will be a direct result of paying off older coal and nuclear stations without swiftly replacing them with clean coal and new nuclear stations. As a consequence of such a development, we could become perilously over-dependent on gas.

If, as I strongly believe, clean coal and nuclear power are needed in the balance to fill the fast-approaching energy gap, and consequently reduce emissions while maintaining competitively priced electricity, streamlined planning procedures for such major infrastructure projects are essential. I await the planning reform statement this afternoon and the Planning Bill with much interest and anticipation.

Due to the running down of the domestic coal industry, there are only a handful of deep mines left, producing about 10 million tonnes of coal a year. Coupled with open-cast output, that takes the total output of British-mined coal to a mere 20 million tonnes a year. The market for coal in the United Kingdom, largely for the power stations, is about 60 million tonnes. The huge difference of about 40 million tonnes is taken up by unnecessary and expensive coal imports from countries such as Russia, Poland, Colombia and Australia. For the reasons that I am giving, a disproportionate amount of coal is imported.

As shipping costs soar, there is a consequent impact on the price of coal imports and the electricity that they generate. Imported coal is more expensive than British-mined coal. British coal is also free of the volatility associated with international coal prices and exchange rates. Imported coal puts more pressure on docks and transport infrastructure and contributes substantially to the UK's balance of payments deficit. Also, the carbon footprint of importing coal is significantly more than that of producing coal locally and transporting it the short distance to local power stations. Port-to-power-station coal flows are significantly longer than the pit-to-power-station merry-go-round rail operations that still operate, but on a much smaller scale than in the past. That places extra pressure on our rail infrastructure. Imported coal is discharged at Immingham, Avonmouth, Clydeport, Medway, Liverpool, Hull and many other ports miles from the power stations that it must reach.

There are some encouraging developments on the mining scene. A healthy coal price has made some new prospects viable. The Hatfield colliery near Doncaster has reopened and plans to become a 2 million tonnes a year pit. Importantly, its owner, Powerfuel, intends to build an IGCC power station alongside the mine. However and as I have said, the Government have decided against supporting pre-combustion clean coal technology. In Wales, the Unity drift mine in the vale of Neath and the Aberpergwm mine have recently started production. They are the first deep mines to be opened there in 30 years and will supply the Aberthaw power station, which is to be retrofitted with clean coal technology. In recent years, Aberthaw has depended heavily on coal imports through Swansea. New mines are also planned in Scotland.

Mr. Crabb: My hon. Friend is being generous in giving way. He should be aware that the Aberthaw project on the retrofitting of clean coal technology is not even a demonstrative project; it is being called a pilot project. It is a small, 1 MW facility to test the infrastructure to see whether it could ever be developed into a commercially viable and usable bit of kit. That returns me to my earlier point that we as a nation should have been moving towards clean coal technology a lot faster. I fear that, even if the Aberthaw project eventually proves viable, it will come too late in the day, by which time more and more gas power stations will have been built to plug the energy gap in the next 10 years that my hon. Friend has so eloquently identified.

Mr. Cash: I am grateful to my hon. Friend, and that is an extremely good point. We are in a catch-up position, but there is an opportunity to do that. I have optimism and hope that the Government will take these points on board.

Mining experts estimate that it would cost hundreds of millions of pounds to sink a new shaft and commence mining operations at a new site, but the Government must seek to support those who are considering new and expanded mining operations. Given the new clean coal technologies that I have highlighted and the energy capacity crunch that the UK will soon face, I believe firmly that we must maximise our indigenous reserves of coal. On that point, will the Minister address the guidance in minerals policy 3, which is a major hindrance to open-cast miners who wish to exploit the substantial coal reserves that lie close to the surface?

Mr. David Hamilton (Midlothian) (Lab): Does the hon. Gentleman accept that a combination of open-cast and deep mining is extremely important for the future? We could have the situation that we have had in Scotland for a number of years. Open-cast can lead to drift mines; that, in turn, means that investment in open-cast can be combined with investment in drift mines, which can take us underground.

Mr. Cash: I do accept that. Part of the usefulness of this debate is to demonstrate the need for balance in all directions, even within the coal industry. I was about to say that huge coal deposits can be extracted from open-cast mines, but MP3 is the problem. Will the Minister tell me whether mining operations in general will be covered in the Planning Bill? Why is he not prepared to issue a statement of need of at least 20 million tonnes of domestic coal output, as called for by the Government's own coal forum?

The renewables obligation is the Government's principal policy instrument to encourage the development of the renewable electricity sector. It is an indirect subsidy system drawing funds from consumer bills and passing them to renewable electricity generators. That currently amounts to £1 billion a year and will have totalled £32 billion by the end of the scheme. In light of the fact that renewable energies such as wind are intermittent and do not provide base load energy, would some of the substantial moneys that go to wind power, which is the major beneficiary, not be better spent on projects such as clean coal? This is a major issue in my constituency, as there are projects for wind turbines near Maer hills and Norton in Hales, which we shall vigorously oppose.

Martin Horwood (Cheltenham) (LD): Will the hon. Gentleman give way?

Mr. Cash: In a moment. The clear benefits of clean coal would be increased reliability of supply and cheaper electricity prices for the consumer. Before I give way to the hon. Gentleman, I should point out that it is well established that the idea of wind farm projects in the midlands area is very counter-productive.

Martin Horwood: The hon. Gentleman has joined a number of Conservative Back Benchers and councils in opposing wind power, but it has to be a vital part of our future energy mix. On what basis does he oppose wind farms?

Mr. Cash: Frankly, they just do not work and are over-subsidised. I have not come here to talk exclusively about wind and wind farms, but I can tell the hon. Gentleman that there is a great deal of opposition in my constituency to the non-productive use of such technologies, which are completely useless according to the evidence that we have received. I am talking specifically about the midlands; it is not for me to go into the broader picture in this debate, but I treat the whole issue of wind farms with a great deal of scepticism and I think that they are extremely damaging environmentally.

Clean coal should enjoy financial incentives equal to those enjoyed by the renewable energy sector, and nor should the subsidies that have gone to nuclear power be forgotten. Will the Minister address this specific point in his response?

I should like to give a brief but important example of how over-zealous support for renewables, particularly wind power, has led to increased carbon emissions. Denmark has the most intense concentration of wind generation in Europe. At peak output, its wind farms can account for nearly 64 per cent. of Danish peak power, but that rarely occurs. Last year, Danish carbon emissions rose as the Danish grid fell back on older, coal-fired power stations to plug the energy gap left by underperforming wind farms. Its power stations used 50 per cent. more coal than in 2005 to cover the failings of wind power, and its wind turbines generated a mere 22 per cent. of electricity, down from 29 per cent. in 2005. The increased demand for coal and the fact that it was burned in old, unmodified stations meant that Danish carbon emissions rose by 36 per cent. in 2006. My point is obvious, and I suspect that Danish investment in clean coal is imminent.

Investing in clean coal technology could allow us to enjoy consistent and competitively priced base load supply, with huge reductions in carbon emissions. Overzealous and irresponsible support for renewables, no matter how well-meaning, can and will lead to what is increasingly called "the Danish problem". There are considerable financial incentives and support for renewable energy sources, but no such moneys exist to assist and promote ongoing indigenous mining projects, which are crucial if we are to retain and develop our coal reserves and have a clean coal generating sector that does not depend only on coal imports.

The recent surge in coal prices has whetted the appetite of indigenous coal producers who wish further to develop reserves. Loan guarantees would rightly provide an alternative to direct subsidy and could reflect the Government's strategic support in the national interest. The money could be used to access new reserves and to help develop existing reserves. Developing new coal faces underground can take years, and considerable finance is required. A facility for Government loans or loan agreements would resolve that issue and secure access to coal reserves that require large-scale, ongoing investment. Harworth colliery, in Nottinghamshire, has been mothballed because money cannot be found to access the 50 million tonnes of coal that could be mined there and sold to power stations literally on its doorstep in the Trent valley. Will the Minister address the issue of loan agreements as one concept for the financing of mining operations in the national energy interest?

The nature of a loan is that the money is returned to the lender—in this case, when the coal mined as a result of the loan has been sold to the generators. Coal is the world's most abundant fossil fuel. According to the International Energy Agency, in the light of new clean coal technology the use of coal is set to grow, especially in the developing economies of China and India and in countries such as the United States and Australia. It is therefore imperative that we use this national asset, as so many other countries are doing. In doing so, we can demonstrate how it can be used in a balanced and environmentally responsible way by supporting the concept of clean coal technology with action, not just words.

It is imperative that the Government provide a lead on energy policy. The Minister might disagree, but many in the energy sector and in this House are not aware that a policy with set targets or ambitions to address these critical questions exists. I look forward to his responses to my points.

Several hon. Members *rose—*

Mr. David Amess (in the Chair): Order. The winding-up speeches will start at 10.30 am. I have no power to impose a time limit on speeches, but I would like to call everyone to speak, so I appeal to hon. Members to share the time out.

10.6 am

John Robertson (Glasgow, North-West) (Lab): I congratulate the hon. Member for Stone (Mr. Cash) on securing the debate. He has proven once again that he speaks well on not only Europe; he has given good speeches on energy—on coal today—and on water in Africa in previous debates.

The UK has billions of tonnes of coal, which we might need to use one day. It would be foolish to write off that coal completely and have the dash for gas that has been described. As my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) said in an intervention, we might end up with a span of three years in which we have to go to gas and might therefore build new gas power stations that will not meet our need to reduce carbon dioxide emissions.

I firmly believe that we should all try to reduce our use of oil and gas. They are finite resources, and if we

[John Robertson]

are serious about securing a clean, sustainable supply of energy for future generations, we must act now. I am particularly disappointed by the Government announcement that we will be into the new year before we hear what will happen with the energy Bill and the Government's policy on it. It was supposed to be dealt with before Christmas, but it seems to be being put back and back. That time could be used to deal with this country's needs. If we keep putting these matters back, we will certainly end up with a dash for gas.

Angus Robertson (Moray) (SNP): Does the hon. Gentleman share my disappointment that the Peterhead project has been put back? Does he agree that it offers a tremendous opportunity and that the Government should stop dithering on it, so that it is delivered?

John Robertson: Yes, I am disappointed, but I am also disappointed by many things that are happening in Scotland on energy. Perhaps the hon. Gentleman could influence some of his colleagues north of the border to open their eyes and consider the wider possibilities of energy there and the needs of not only the Scottish people, but people in the UK and, possibly, beyond in places where we could sell that energy.

Angus Robertson: On having a wider influence in the energy market, does the hon. Gentleman welcome the Scottish Government's initiative for a super grid in the North sea? That would help to link Norway and Scotland and do exactly what he is promoting—get energy that we produce into the wider market.

John Robertson: I accept what the hon. Gentleman says, but the caveat is that he assumes that the grid will give Scotland access to Norway. If we keep to our present energy policy, Scotland will be taking energy from Norway. That is why we quickly have to make a decision now and go forward.

There are huge opportunities for coal on the international market if we develop clean coal technology and carbon sequestration. It is estimated that the use of coal will rise by 32 per cent. by 2015 and by 59 per cent. by 2030. The International Energy Agency forecasts that coal will retain a quarter share of the world's energy mix.

When we talk about coal, it is important to consider China. Coal is still the great fuel in China, where it is used in everything from power stations to the samovars for heating water on trains. The answer to China's fuel needs is to go back to the past. China's future fuel will still be coal.

Coal has a bad reputation: dirty, dangerous and highly polluting. The prospect of a coal-powered future may fill many with dread. China is already by far the world's biggest producer and consumer of coal. Its 30,000-odd mines churned out more than 2 billion tonnes of the stuff last year. That is more than a third of all the coal produced in the world. The mines also cost the lives of 6,000 Chinese miners. Coal is the main reason why China is now second only to the US in the output of greenhouse gases and is soon to overtake the US.

Coal's dirty reputation may be about to change, however. China has given the go-ahead for the construction of several huge new projects to turn dirty coal into clean gas. A company not far from my constituency, Babcock, is one of the leading lights in the technology. I hope that we do not allow another country to get ahead of us by taking the technology in which we were once the experts and cashing in on it in the future. It is important that we as a country get behind coal gasification. We have understood for years that it is one way to make money for this country.

With oil prices now more than $90 a barrel, it has finally become profitable to use coal again, but we have to build multi-billion-dollar plants to be able to use it and to reduce carbon dioxide emissions to the levels that will be acceptable in the future.

Mr. Cash: I am sure that the hon. Gentleman would agree that it would not be a terribly good idea if we went for gasification and it led to a forest of derricks. In other words, there is a way to draw gas without environmental disruption.

John Robertson: The hon. Gentleman is right, but that technology is still a long way down the road. Unfortunately, our needs are now and not in the future. We should never throw the baby out with the bath water. We must consider everything and exclude nothing.

According to the experts, the new mega-plants will take dirty, sulphur-rich coal and turn it into clean, sulphur-free gases, such as methane, which will be ready to be liquefied and put into the tanks of China's millions of cars or burned it its power stations.

On energy policy, it is no surprise that I, as the chairman of the all-party group on nuclear energy, support a fully balanced energy policy. I am concerned that we may miss opportunities by delaying decisions to allow the private sector to build nuclear power plants. We may end up depending on gas for the vast majority of our energy sources. If China is on the road to investing in clean coal technology, why are we not? The Chinese have announced £10 billion of investment in renewable energy; therefore, why can we not do so?

Reducing the use of oil and gas is a sensible option. Any further delay will only increase our dependence on foreign gas. The hon. Gentleman identified in great detail the problems in respect of not just energy, but national security.

I hope that the Minister will indicate how the Government view the situation. I believe that China can be an example, not a threat. We must consider why it is investing money in new coal technologies, and why it has entered into a $20 billion agreement with a French company, Areva, to build six new power stations, while we dither and wonder what to do with our energy policy. It is important that we get the matter sorted out quickly.

10.15 am

Mr. David Hamilton (Midlothian) (Lab): I congratulate the hon. Member for Stone (Mr. Cash) on securing this important debate. I am still trying to visualise him telling off Heseltine and Scargill at the same time. I remember that during that difficult period one or two

lone voices in the Conservative ranks argued for the coal industry in the long term, and I congratulate him on that. He has a long history in respect of the coal industry.

Coal is a big issue. We should be considering what is in front of us and what we need to do to address the big problems that face this nation. I am the chairman of the all-party group on coalfield communities, having taken over from my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham). The term that I think of every time that we talk about coal is "dirty coal". "Clean coal" is often described as a contradiction in terms because coal is seen as dirty, inefficient and heavily polluting.

The environmental group Greenpeace has waged war against the possibility of any new coal-fired power station. Last week, it was already attacking the possibility of our going ahead, and it says that it will climb all over any such planning permission. It has done that before on many occasions and will, I imagine, continue to do so. It points out that the last new such power station was built in 1974, and that coal is the least environmentally friendly way of producing energy. Its website states:

> "We don't need more outdated, inefficient coal fired power plants. We need an energy system that can meet the demands of the 21st century".

I agree with that, and that is what we are discussing in this debate.

I also agree that if the technology and efficiency of coal had been static since the last power station was built in 1974, we would not be having this debate. When we promote the coal industry, we are promoting not the technology used by previous or even existing plants, but the technology that we hope will be developed in the future. We are talking about the possibilities of new and dynamic technologies through which coal is crushed and washed to remove sulphur, through which it can be burnt in modern, efficient power stations and co-fired with biomass, and through which carbon is captured during production. Conventional coal production could release as much as 0.9 million tonnes of carbon dioxide each year in order to create 500 MW of electricity. That is nearly three times as much as gas—that point was made earlier—which is too much.

If that were the only way to burn coal, yes, coal would be a useless resource. However, with improved efficiency, CO_2 emissions can be reduced from 0.9 million tonnes to just 0.69 million tonnes. Through combined biomass, they can be reduced to 0.6 million tonnes. Through carbon capture and storage, emissions from coal-fired power stations can be reduced by around 90 per cent. to less than 0.1 million tonnes of CO_2, making coal cleaner than other traditional forms of energy production. We are promoting a modern, clean and efficient form of energy production.

There are three considerations when looking at our energy mix. Security of supply is one of the most important considerations for this country. The environmental impact is important, of course, as is the price that we have to pay to develop our strategy. All those issues are interlinked and must carry equal weight. So how does coal stack up against the three criteria? The UK has a large supply of cheap coal, and could be self-sufficient—and therefore secure—in it. We are certainly the envy of many of our European partners, of which only Germany and Poland produce more coal each year than the UK. That will change because Germany is moving toward zero coal production by 2010. That mistake is, I believe, based on the fact that it has agreements with Russia, about which I have great concerns.

Mr. Cash: One of my gravest concerns during debates and meetings about coal with Lord Heseltine was that at that time, Germany was receiving authorised Commission subsidies of £4 billion a year and we were receiving none, which created a complete imbalance in generation. When privatisation took place, the consequence was to reduce the critical mass to a point at which privatisation was scarcely able to get off the ground properly.

Mr. Hamilton: The hon. Gentleman makes a valid point and he covered the issue in detail in his speech. Indeed, I shall omit a substantial amount of my speech because I do not want to cover that ground again; I am also mindful that other Members want to speak.

Security of supply is important. According to the Government's 2006 energy review, the UK has around 142 million tonnes of coal in identified surface and deep mines, and at present levels there will be 70 million tonnes left in 2020—a point clearly made by the hon. Member for Stone. The UK has 190 billion tonnes of coal, and we are the envy of most European countries. It is incumbent on us to deliver a strategy to develop clean coal technology.

The UK has a large supply of coal that could assist in providing a long-term solution. More importantly, it has a supply big enough to make public and commercial investment viable. So why did the UK become an importer of coal? Why is it still an importer of coal when coal has doubled in price since 2003? The reason is that the UK has one of the most liberalised energy markets in the world, and we take the price today without considering what we will do in future. It is disappointing that we continue to move the energy debate further away. The first and foremost issue for debate is security of supply, before we go into the details of one form of energy versus another. I do not want to go into those details, and I try to avoid the obvious disagreements that may develop regarding wind power, nuclear power and so on. There is room on the table for all processes, and we must remember to consider the next century going forward.

The UK was forced, in my opinion, to import coal, and the hon. Member for Stone referred to the carbon footprint that results from coal being transported to this country. The Government now have an opportunity. The increased price of gas and higher demand from the developing economies of India and China mean that we cannot rely on an everlasting supply of cheap, imported gas.

China, which is building two new coal-fired power stations a day, is probably the best example. It has 30,000 collieries—not 30,000 miners—but there is a price to pay, and what it is doing is completely wrong. There have been 6,000 deaths in the mining industry, which is an indication of how cheaply the Chinese value life. There are far better ways of extracting coal. One colliery has 10,000 miners, which is phenomenal.

[Mr. David Hamilton]

By 2030, coal consumption will have increased by 230 per cent. from 2004 levels in China alone. That is the real world, and we must consider clean coal technology. We must not fail to develop it, and to buy into it when it has been developed elsewhere. Our problem is that China and India are the engine houses of the world, and America is beginning to expand its coal industry. They will determine the worldwide price of coal, so it is important for us to have self-determination.

The supply of oil and gas remains volatile, and Russia and Iran hold more than half the world's gas supply. Oil is concentrated in a few countries, many of which are in the middle east. That leaves the UK vulnerable over the next decade and beyond. We must secure a supply of energy and start to reuse that coal is a major part of our energy mix. The question is not, "Does Britain need coal?" The energy market is demanding the use of coal, so the questions is, "Would we be better off producing coal in Britain, rather than paying the market price for it?" Given that coal must be part of our long-term strategy, how can we make it more efficient and environmentally friendly?

In other words, the attraction of coal is supply and price, but environmentalism is an urgent issue. Everyone says that open-cast mining is terrible, but the same people are against windmills and other forward-looking technology. We must look at the bigger picture. If development is necessary, planning issues must be addressed and changes made. That also applies in Scotland, where the Scottish Parliament controls planning issues. If planning approaches in the UK can be relaxed to develop a strategy to secure energy supply, such development must also take place in Scotland.

I was delighted when the Prime Minister announced during his speech to the World Wildlife Fund on 19 November that the Government are launching a competition to build the world's first commercial carbon capture storage coal project. It is hoped that that will demonstrate the possibility of CO_2 capture, transport and storage. I confess that I was surprised but delighted that he also said:

> "We will also consider whether, if we can show that carbon capture and storage is technologically and commercially viable, it should be made mandatory in some form for all new British fossil fuel plants."

It is becoming clear that coal is again important to the UK energy mix. The increasing price and instability of imported fuels is leading the energy market to turn to coal, and the Government are finally making progress in dealing with coal's environmental impact. The next stage of the process must be to look at how our coal reserves can be used. The UK has just eight working mines, none of which is in Scotland. If the Government are committed to a new generation of coal stations, working with carbon capture and storage, they will send a clear signal that investment in mining is commercially viable.

I turn to geothermal heating, which has not been referred to. I want to plug the fact that Midlothian is building 5,000 new houses with geothermal water from the Monktonhall workings. With a small investment, we could develop a strategy for the first geothermal heating project in the UK. The Prime Minister said that he wanted five new settlements throughout the UK and to make them environmentally friendly. I suggest that he choose Midlothian as a Scottish example, with its geothermal heating, because that is a good example of history helping the future of coal extraction.

Our country is at a crossroads. When we have the energy debate in the House, Members will have to make probably the most important decision that we will ever have to make, apart from on war. It will affect the survival of our country as a world economic power. I support what the hon. Member for Stone said, and I hope that the debate takes place sooner rather than later.

10.28 am

Mr. John Grogan (Selby) (Lab): It gives me pleasure to make a concise contribution to this debate, following the thoughtful contribution from my hon. Friend the Member for Midlothian (Mr. Hamilton). The hon. Member for Ston. (Mr. Cash) spoke with typical passion. I am glad to see the Minister in his place, but I am disappointed that he is not supported by a Whip. It will give me no pleasure to write a stern letter to the Chief Whip asking for an explanation.

The hon. Member for Stone said that we still have a share of the market, with 20 million tonnes of indigenous coal. It is interesting to look at what happened over the past year. When the Selby complex closed, coal was about £21 a tonne. That has almost tripled, and on the spot market in Rotterdam it is £100 a tonne. That has had an impact on some of the eight mines that my hon. Friend the Member for Midlothian mentioned. The dominant producer is still UK Coal, and a year ago the question was whether the generators would renegotiate the contracts with UK Coal. Those contracts were set in stone when prices were much lower. It is good news that, partly through the influence of the coal forum, both E.ON and EDF Energy have signed much improved contracts with UK Coal in the past couple of months. Kellingley, the one remaining mine in my constituency, which employs 700 men—it is the second biggest mine in the country—is still waiting for its contract with Drax to be renegotiated. Even so, with the prospect of the Beeston seam coming on stream, UK Coal is recruiting extra staff. There is also the prospect that the mine at Hatfield, which is just down the road, will be reopened shortly, with 300 jobs becoming available.

With that, my time is up, but I want to say just two final things on the point that my hon. Friend the Member for Midlothian made about safety. Surely to goodness, one thing that we in this country can do is export our good safety record. We should be doing more to pass on our expertise not only to China, but to places such as Ukraine, where there was recently a terrible number of deaths. Surely to goodness, the coal forum, and even the Department for International Development, can look at the expertise of the Mines Rescue Service and the safety culture of British mines.

10.30 am

Martin Horwood (Cheltenham) (LD): I congratulate the hon. Member for Stone (Mr. Cash) on securing a debate on such an important subject, and it is always a

pleasure to follow the hon. Member for Selby (Mr. Grogan), even though he was unfairly constrained by the clock.

Clearly, this is an important issue. I do not agree with everything that the hon. Member for Stone said in his opening remarks, but I do agree about the need to ensure that the UK's energy supply is safe and secure. However, my emphasis would be rather more on the environmental need for action, particularly in the light of the fourth assessment report by the intergovernmental panel on climate change, which, if anything, shows that the science is becoming more worrying and the need for action more urgent. Fossil fuels meet 90 per cent. of UK energy needs, so we must tackle the contribution that such fuels make to our carbon emissions.

It is tempting to find the solution to energy supply problems in certain fossil fuels, given that oil and gas supplies will be exhausted at some point, while there is an abundance of coal worldwide and a relative abundance of it even in the UK. However, coal is undoubtedly dirty, with 30 per cent. of this country's CO_2 emissions and hundreds of millions of tonnes of carbon coming from electricity generation.

What should be our response? There are several priorities that we should put before the development of clean coal technologies—I shall return to them—but the first priority must be energy efficiency. There is huge potential for reducing the demand for energy at household level through things such as smart meters. In the housing sector, the Government are now finally going some way towards setting a target of zero carbon emissions for new-build houses. However, they have not so far addressed the urgent need to look at the existing housing stock, even though the majority of the houses that will exist in 2050 have already been built. More therefore needs to be done on that front.

The second strategy must be to promote this country's renewable energy sector, which is fast expanding, but which is still far too small. It is shameful that we are so far down the European league table when we have such enormous potential. On the large scale, we have onshore wind, which the British Wind Energy Association reckons could supply 6,000 MW by 2010, with 3,500 turbines, or 50 per cent. more than was previously imagined was viable.

Contrary to what the hon. Member for Stone said, the Carbon Trust, whose work I trust, is clear that onshore wind is currently an economically viable technology and a perfectly reliable part of the energy mix, and we should expand it. Let me take this opportunity to congratulate the trust on its new partnership for renewables, under which it is seeking to release public sector land for renewable energy programmes. The project might well support an even greater increase in the use of onshore wind at no cost to local authorities, and that valuable initiative is exactly the kind of thing that we should promote.

Mr. Hamilton: May I point out to the hon. Gentleman that the Select Committee on Scottish Affairs took evidence from Scottish Power on this issue two years ago? The company was asked, "Would you be building wind turbines if there was no subsidy," and it finally had to answer, "No, we would not be developing this strategy if there was no subsidy." My point, of course, is that we must have subsidies before we can develop such a strategy.

John Robertson: Good point.

Martin Horwood: It is a good point. The Carbon Trust's analysis shows that, although many renewable technologies need support initially, they can become viable over time, and onshore wind and geothermal energy are now virtually completely commercially viable.

Offshore wind has even greater potential. The British Wind Energy Association reckons that offshore wind may produce 10,000 MW by 2017, and that could be increased if we exploit the full potential of the ambitious plans to put a gigantic wind farm in the North sea.

We have geothermal energy, and the hon. Member for Midlothian (Mr. Hamilton) suggested Midlothian as place where it might be developed, but there are plenty of others, including relatively hot, dry potential sites in south-west England. There are already commercially viable ground source heat pumps from companies such as Geothermal International. Gloucestershire's new police headquarters is heated using a commercial ground source heat pump, as is the Chelsea building society's new call centre in my constituency.

We have solar photovoltaic technology, which has rather been the Cinderella of the renewable energy sector because it is relatively expensive, but it still has great potential in terms of carbon reduction. If the cost issues can be dealt with, solar photovoltaics will have great potential, and such output is increasing by huge percentages each year.

We also have tidal flow technology, wave power, tidal barrages and lagoons. Liverpool bay could contribute 1,500 MW, and the Severn estuary could contribute 4,500 MW. All these things could combine to provide at least 10 per cent. of the UK's energy capacity.

Providing that we can get over the challenge of ensuring that biofuels are absolutely sustainable by introducing a proper certification system as soon as possible, biofuels and biomass will also certainly have a major role to play.

On the large scale, therefore, we have a burgeoning variety of renewable energy sources. The hon. Member for Stone mentioned what he called the Danish problem: if we rely on one renewable energy source that turns out to be intermittent, we may encourage less energy-efficient, more carbon-inefficient technologies. However, that can be dealt with by having a diversity of supply, and I have discussed the issue with National Grid, which is confident that we can do well if we develop a variety of renewable sources. Household microgeneration and heat generation, as well as combined heat and power and community-based renewable sources, can add to that diversity.

The challenge is to reduce carbon emissions, in the Government's terms, by 60 per cent. by 2050, although the Liberal Democrats would go even further and aim for 100 per cent. clean-technology generation by 2050. Unfortunately, that will require some transitional technologies, and the question is which ones. Obviously, one option is nuclear, but that is unpopular. According to a Parliamentary Office of Science and Technology survey, three quarters of respondents expressed a preference for renewable over nuclear. I think that nuclear is immoral.

John Robertson: I have heard all this before. Why does it have to be a contest between renewables and nuclear for the Liberal party? Why can we not have a debate in which the needs of the nation come first?

Martin Horwood: The needs of the nation will last for thousands of years in various forms. One of the most immoral things about nuclear power is that it bequeaths a dangerous legacy to generations so far into the future that we have no idea how they will be able to respond. Nuclear is not a clean technology; nor is it particularly secure, because it depends on an imported fuel—uranium. The first of the new generation of nuclear power stations will also be too late to help with much of the energy gap, because they are unlikely, on the most optimistic scenario, to generate power before 2017.

The transitional technology that I favour is clean coal, with carbon capture and storage. The storage problems are equivalent to those of nuclear, but clean coal has many advantages over nuclear. Gas and coal-fired power stations are more flexible than nuclear power stations, which is an advantage in terms of the reliability and flexibility of supply. Nuclear waste is also far more dangerous than CO_2, which can be injected into oilfields and gas fields. Not only would our supply of energy be more secure, but we would probably have a competitive advantage, in that we have unique expertise in such technology from our experience in the North sea.

The Government have given out mixed signals. I agree with the criticism of the competition approach. It is very regrettable that the Peterhead project—which has been referred to, which could have been on line by 2010, extracting CO_2 from natural gas and pumping it into the Miller oilfield and on which BP has already spent £50 million—effectively had the rug pulled from under it by the Government's competition initiative. There has been a lot of criticism from Centrica, BP and others about that.

The Government have, however, made positive initiatives too, and I join the hon. Member for Stone in welcoming the near-zero carbon initiative. It is a positive step, but it is a shame in a sense that it will be developed with China, when we could have developed something entirely home grown at Peterhead. Nevertheless, where the Government take their foot off the brake and keep it on the accelerator, they will have our support on carbon capture and storage. The long-term vision is one of avoiding fossil fuels and dangerous waste altogether and of all our energy needs one day being met from renewable sources.

10.41 am

Mr. Mark Prisk (Hertford and Stortford) (Con): I welcome you to the Chair, Mr. Amess, and congratulate you on your remarkable and impressive impression of a Government Whip. I suspect that they are busy looking for CDs somewhere.

I congratulate my hon. Friend the Member for Stone (Mr. Cash), not just on his speech, but on securing the debate, which is timely. He stressed not only the technical issues, but how energy supply and price and the choices before us affect every one of our constituents. He showed his long-standing interest and the consistency of his beliefs about the matter. I, like other hon. Members, would love to have had 24-hour live television news coverage of his battles with the noble Lord Heseltine and Mr. Scargill. I think that, somewhere along the line during the debate, that has become a single battle, but I suspect that it was a little more complex than that.

My hon. Friend rightly referred to over-reliance on gas, particularly imported gas. As several hon. Members have mentioned, dependency on a single supply, and especially a foreign single supply, is an important issue, and I trust that the Minister will refer to it. My hon. Friend also set out well why clean coal technologies should be given a fair opportunity to develop, and why he believes that both pre-combustion and post-combustion technologies should be encouraged. He highlighted several other issues, particularly the potential importance of today's announcement about the Government's planning Bill. I hope that the Minister will be able to explain how the Bill will ease the development of new low-carbon energy opportunities. My hon. Friend concluded with remarks about non-productive wind; it was rather appropriate that the Liberal Democrat spokesman should intervene at that moment.

The hon. Member for Glasgow, North-West (John Robertson) expressed concern about how Ministers have delayed—indeed, dithered—on several issues, particularly the CCS project at Peterhead. I shall discuss that too. He made a useful contribution, particularly on international comparisons and China, with respect to not just technology, but safety issues. He concluded by saying that Ministers need to lead, and he asked why, when other Governments are proactive, ours cannot be. I hope that the Minister will answer that question.

We had an excellent contribution from the hon. Member for Midlothian (Mr. Hamilton), who looked forward to a range of different technologies that could help to develop the low-carbon power that we all need. He spoke authoritatively about the potential of carbon capture and storage, and he made a bid for geothermal power in his constituency. Perhaps I may add, as a born and bred Cornishman, that I trust that opportunities in the duchy will not be overlooked.

Lastly, the hon. Member for Selby (Mr. Grogan) made a short but knowledgeable contribution, particularly on safety, on which perhaps we might have had more discussion. It was a shame that the clock did not permit a longer contribution.

Any sensible energy policy should, as other hon. Members have mentioned, avoid relying exclusively on a single technology or on one source of fuel. Such reliance would expose us to needless risk, not least as the soaring demand for energy outstrips the ability of the oil and gas industries to keep up. What is needed instead is that strategy and policy should balance two strategic objectives: reducing carbon emissions from electricity generation and its supplies and, as the hon. Member for Midlothian stressed, putting security of supply clearly at the heart of any decision on the balance between different fuel sources and technologies. Those twin objectives are the best way to create the environment in which business can plan and invest for the long term. At the heart of the approach is the

recognition that no single fuel is the answer. We need different fuels and technologies if we are to make a long-term change.

In May, the Government finally published their latest energy White Paper, setting out the direction in which policy would be developed. It included a range of issues: a possible framework for future nuclear power stations; changes to the renewables obligation; and a new cap-and-trade scheme for large businesses—important, particularly in the context of this debate. It also rather hesitantly set out ideas on such matters as energy efficiency, decentralised energy and smart metering.

Yet in the past two years—some would say in the past 10—there seems to have been little action. There have been plenty of reviews and consultations, and dozens of studies. We have had interdepartmental meetings, briefings and assertions by the previous and present Prime Ministers that we must change and aspire to improve, but we have had little action.

Sadly, time is not on our side. This country faces a looming energy gap, which has been predicted not for a couple of years, but for much of the past decade. Roughly a third of existing generating capacity will shut in the next 20 years. All our nuclear power stations, except Sizewell B, are scheduled for closure, and many older coal-fired power stations may be forced to close under EU regulation.

Martin Horwood: Will the hon. Gentleman give way?

Mr. Prisk: Briefly—or rather, I will not, because time is against me; I have only three minutes left. We want to make sure that the Minister has his chance.

Meanwhile, as all that closure takes place, our once healthy position as a net exporter of both oil and gas has changed. Three years ago, we became a net importer of gas and last year a net importer of oil—I think that that is the first time in my lifetime that that has happened.

What about coal? We have heard wide variation today—and previously—about the potential reserve of coal in this country. It is measured in capacity and in time. Some say that we have a 200-year potential reserve, and others say it is up to 600 years. However, that will of course depend on two things; the geological and engineering assessments of how much coal can be mined practically and economically, and the rate of production. In the past two years alone, there has been wide variation in production. In 2005, 20 million tonnes were mined; in 2006, 18 million tonnes were mined. In the first six months of this year, the figure was just 8.2 million tonnes, so there is a steady decline, as hon. Members will realise.

The decline in domestic production has ironically occurred at a time of rising imports. Last year, for example, they rose 33 per cent. on the previous year, to 42.7 million tonnes. A large proportion of that—nearly half—comes from one country: Russia. People have different views about the issue, but everyone will recognise that to be so dependent on one source creates enormous danger for the long-term security of this country's energy.

In this context, the role of carbon capture and storage technology is vital. Here we come to the nub of the debate, on which I hope the Minister will make a full contribution. We have heard about the issues affecting CCS technology. Evidence suggests that that form of technology costs somewhere between $40 and $60 per tonne of CO_2. However, many references have been made to the expectation that that figure will reduce as the technologies develop. It would be useful if the Minister clarified the Government's view of that. It is clear that whatever the figures are, the Government need to become far more proactive; that is not only my view, but that of other hon. Members in the Chamber.

For the past three years, Ministers have talked about the potential of CCS, yet for much of that time, little has happened. Indeed, it has taken Ministers so long to get their pilot scheme up and running that the one CCS scheme that was under way—at Peterhead—has been shut down. As I understand it, the Government are now pursuing post-combustion rather than pre-combustion technology for the CCS pilot. Will the Minister tell us the reasoning behind that, and will he tell us what representations the industry has made to him on the matter? Does he agree that the result of the delay could be that the nascent technology will move and be followed up abroad and become successful there?

This has been a timely and worthwhile debate. Not only have we talked about coal and coal technology—important though those things are—but we have put them in the context of the wider energy question. All hon. Members accept that there is a large and growing gap in our generation capacity, and that it is crucial for low-carbon generation to come on stream. Any Government strategy must address the gap, and it must do so by reducing carbon emissions while not exposing us to undue insecurity of supply. For much of the past two years, Ministers have produced paper but not a lot else. I hope that the Minister will today answer the questions asked by my hon. Friend the Member for Stone, and explain finally how the Government intend not to talk, but to act.

10.51 am

The Minister for Energy (Malcolm Wicks): May I first of all apologise for my informal approach to the formalities at the beginning of the debate? If it means that I am never appointed a Government Whip, it will have achieved a purpose of sorts.

I congratulate the hon. Member for Stone (Mr. Cash) on securing the debate and, more importantly, on the interesting and thoughtful way in which he introduced the subject. In a way, there have been two debates: one about coal and clean technologies and another about wider energy policy. It is difficult to strike the balance, but I shall seek to reflect on both debates even if most of my remarks focus on coal and clean coal technology. I also acknowledge the important contributions made by other colleagues, not least those of my hon. Friends the Members for Glasgow, North-West (John Robertson), for Midlothian (Mr. Hamilton), and for Selby (Mr. Grogan) who played an important cameo role.

The significance of the issue is evidenced by the fact that we have three interrelated Bills to consider during this Session. The energy Bill itself will be introduced early next year—my hon. Friend the Member for

[Malcolm Wicks]

Glasgow, North-West perhaps needs to be a little more patient to hear good news on that measure. The Climate Change Bill will put into statute the Government's ambitions for emissions reductions, and the Planning Bill, to which the hon. Member for Stone referred. Essentially, that measure will be designed to streamline our planning system so that we do not have huge delays in putting in place infrastructure, including energy infrastructure, that is vital to the nation.

We must tackle two great challenges of the 21st century: first, climate change, on which the Prime Minister made an important speech only last week and, secondly, energy security. We are becoming more familiar with the science and the challenge of global warming, but we need to become more familiar with the related issue of energy security. I take absolutely the point made by the hon. Member for Stone on that. There is a huge global demand for energy, but the geopolitics of energy security become more difficult. We will need to import a great deal of our energy, but we therefore need to strike the best possible balance between the need to import and our need to develop home-grown energy resources. It is a pity that we do not have more time in which to pursue those issues.

The good news, however, is that the two challenges have a shared solution, which is for us to move as quickly as is reasonably possibly towards a successful low-carbon economy. The Government are committed to that, and I have mentioned the Climate Change Bill. We must become better on energy efficiency because, after all, the cheapest and cleanest form of energy is that which we do not use, and which we therefore do not need to generate or import. We need a robust carbon price—I noticed that the hon. Member for Stone did not dwell too long on the European emissions trading scheme—and that is significant. Pollution must carry a cost if we are to incentivise the economy to become low-carbon.

Martin Horwood: Does the Minister agree that a concrete step to create a more viable carbon price would be the introduction of feed-in tariffs for renewable energy?

Malcolm Wicks: That is one methodology and one mechanism. The Government have chosen a different if not entirely dissimilar route—namely, the renewables obligation. We are now reforming that because of its importance. It is significant that the Prime Minister committed the country to the EU's target of having 20 per cent. of energy come from renewables by 2020 and we are negotiating Britain's percentage of the reduction.

We have been accused of taking no action, but I will not apologise for the fact that the Government have been thoughtful about the matter and that we have looked at the evidence and, hence, unlike some parties, we are not all over the place on some of the critical issues facing the nation. We have had the energy review, a White Paper, and there will soon be an energy Bill. We gave the go-ahead only recently for the world's largest off-shore wind farm, the London Array, and last week the go-ahead for the world's largest biomass power station in Port Talbot. Both those things are significant and go alongside our feasibility study, the details of which we will announce soon, on the Severn barrage. I was also asked to comment on Cornwall. The wave hub project in Cornwall is significant—wave, marine and tidal energy is absolutely vital.

The International Energy Agency world energy outlook predicts that world coal use will rise by 73 per cent. by 2030; much of the growth will be in China. The UK's remaining coal resources are a valuable national asset that we need to put to the best possible use, provided that the economic and environmental costs are acceptable. I note the honourable opposition of the hon. Member for Stone to the last Conservative Government's savage and foolhardy assault on Britain's coal mining industry, and the silence of the hon. Member for Hertford and Stortford (Mr. Prisk), the Opposition spokesman, on the issue. Our coal authority estimated that reserves at existing and potential sites amount to more than 2 billion tonnes. The Government have until recently supported the coal industry financially—there has been more than £200 million in state aid since 2000—but total UK output has continued to fall. Production in 2006 was 20 million tonnes, down 10 per cent. on 2005.

The principal customer for that coal is the electricity generating industry. Coal-fired generation supplies around a third of UK electricity and can rise to more than 50 per cent., often at very short notice, when demand peaks in winter. I am pleased that we have enabled generators and supply companies to get together usefully through the coal forum. My hon. Friend the Member for Selby acknowledged the importance of that. The forum is a useful vehicle and, incidentally, I hope that it will discuss the mines rescue service soon.

The Government are committed to carbon capture and storage. I do not mind the fact that we are the first Government to announce a major demonstration project. It is interesting how the debate has moved on—some are now asking why there should not be two demonstration projects. Such projects are expensive. The science and technology is relatively untried and no-one has put together a whole project featuring carbon capture, transportation and storage.

Martin Horwood: Will the Minister give way?

Malcolm Wicks: Of course not—if the hon. Gentleman looked at the clock, he would see why not.

Internationally, we are in a lead position on carbon capture and storage, which is a good place for Britain to be. If we are to square the circle between using fossil fuels in future, particularly coal, and climate change, carbon capture and storage is absolutely vital, and we are now in a good position. We need adequate regulation and we are working hard with the Norwegians in the North sea on CCS projects. It was no jest to the hon. Member for Stone when I talked about the emissions trading scheme. It is a vitally important European way in which to pay for CCS in future. This has been a significant debate and I again congratulate the hon. Gentleman on securing it, and on the thoughtful way in which he introduced the topic.

National Institute for Health and Clinical Excellence

11 am

Frank Cook (Stockton, North) (Lab): Thank you, Mr. Amess for affording so much of your valuable time to Chair this debate. I know how time consuming that task can be, as I have occupied that same seat many hundreds of times in the past as Deputy Speaker in Westminster Hall. Indeed, I will fulfil my next spell of duty in your place tomorrow morning and afternoon.

Mr. Amess, may I ask respectfully that you convey my thanks to Mr. Speaker for granting this debate today? This is the fifth debate that I have initiated in this Chamber; the others took place in the recent past. The first was on police re-organisation and the second, on hospital reconfiguration, was followed by a debate on the problems in prisons and the Prison Service. Very recently, I secured a debate on the Remploy factory closure proposals. I think that I can claim, modestly but with some justification, that in each case I caused the Government to stop and think again and modify their view. I hope and pray for a similar degree of success today.

First, the topic for debate is the National Institute for Health and Clinical Excellence and, at this stage, I put a heavy emphasis on the last two words of its title—clinical excellence—because I hope to return to that, if I live long enough, before resuming my seat.

Secondly, we are debating stents so I suppose that, for the uninitiated, I must start by discussing what a stent is. Many people in this country and in the world have problems with forms of coronary heart disease, a serious and common problem, which is the most common cause of premature death in the United Kingdom: it causes about 105,000 deaths a year. In some 30 per cent. of heart attacks, the patient dies. In the UK, someone has a heart attack every two minutes—some 230,000 people each year—so if we think that, during this 90 minute debate 45 heart attacks will occur somewhere in the country, it might help us focus our attention.

Patients with coronary artery disease have narrowing in the arteries, restricting the blood supply to the heart, and a procedure may be needed to help improve the blood flow. Cardiac surgeons, such as the noble Lord Darzi of Denham, can do a coronary artery bypass graft operation that provides a new route for blood to flow around the narrowing. Cardiologists can do a procedure called percutaneous coronary intervention, or PCI, which is also known as an angioplasty, in which they open up the narrowing by inflating a small balloon in the artery. Both procedures fall under the general description of revascularisation: in other words, easing the flow of blood through our system of veins.

The PCI is often accompanied by a stent, which is a form of scaffolding or mesh, of which there are various designs. The stent is inserted and threaded through the veins, having entered the body through the groin. The cardiologist can position the stent where there is a restriction in the arteries and, with the help of the small balloon, raise the stent open, force back the walls of the vein and then withdraw.

How do I know all this? The cardiologists at the James Cook university hospital on Teesside, having given me an angiogram, determined that there were three restrictions in my left anterior descending artery: one was at 18 per cent. restriction, another was at 53 per cent. and the other one was at 97 per cent. I did not know that and thought I was fine, but the cardiologists decided that something had to be done about it, so having done an angiogram, they did an angioplasty and placed stents in my left anterior descending artery. That procedure was done about three or four years ago and although it has not cured my problems it has eased them enormously. I am ever grateful to Mark de Belder for doing that for me, at the suggestion of Dr. Shyam Sundar. I am also grateful to Jim Hall, who helped Mark de Belder establish the department in the James Cook university hospital, because they worked night and day for more than three years before establishing it and, as a result, probably saved my life and the lives of many others.

Stents come in two forms: one is a bare metal stent—in other words, stark scaffolding—and others are drug-eluting, being coated with drugs. Some bright character worked out something about restenosis. However, I have not explained what restenosis is, so I had better do so. When a stent is put in place, the platelets and flesh in the inside of the vein start to grow around it. Sometimes too much scarring tissue can grow, causing a restriction again: that is called restenosis. Some bright character thought that, if stents were coated with a drug, it might be possible to inhibit a build-up of such scarring tissue. Would you believe that two drugs were discovered? One is called paclitaxel, which was discovered in 1967 in the stem bark of the Pacific yew tree. The other is called sirolimus, also known as rapamycin, which was found in a soil sample from Easter Island—would you believe? The local name for that island is Rapa Nui, so that is why the drug is called rapamycin.

Not only is the amount of restenosis reduced by using stents coated in drugs—drug-eluting stents—but the need for repeat procedures is reduced. A bare metal stent with the build-up, or restenosis, can sometimes need a repeat procedure done on it. It is sometimes difficult to repeat, some months or years later, a procedure that has already been carried out.

The drug-eluting characteristic has the advantage of reducing the need for a repeat procedure. However, it sometimes causes problems and has been known to give rise to a late thrombosis, which is obviated by a drug called clopidogrel, or Plavix. In America, doctors call Plavix the surgeon's nightmare, because it is an anti-coagulant: but that is why it is used. I was given Plavix for about 15 months. It is taken regularly on a daily basis so as to ensure that the flow of blood is constant through the stented area and does not tend to wait, pause or clot and cause another problem. Plavix can be advantageous in that sense.

I have so many notes that you would not believe it, Mr. Amess. I am getting phone calls from all over the country giving me ever more information on this subject. People are very concerned about this matter.

Clopidogrel, or Plavix, is the standard treatment for the prevention of clots post-angioplasty. Now, however, details of Plasugrel—an improvement on Plavix

[Frank Cook]

—have been reported in *The New England Journal of Medicine*. When used in the same circumstances as Plavix to prevent coronary thrombosis and clot formation, Plasugrel reduced the death rate by 19 per cent., and early reports suggest that it will counteract any problems associated with drug-eluting stents.

Am I making progress? I have described what stents are and what drug-eluting stents are, and I come to the issue of cost. There is some argument about cost, and when we discuss it we should be careful to consider every aspect. It is not just the item itself that has a cost; there is a cost in inserting it, and possibly in having to replace it. There is also the cost of time spent in bed in hospital and of recovery time. If we do not use stents, the only other option is open-heart surgery in the form of a bypass, which involves opening the sternum and putting various bits of tubing around wherever the blockage is. That means increased bed, theatre and recovery time, increased need for theatre crew, and lots of pain. When we address cost, therefore, we should consider not only the accountants' estimates, because you know as well as I, Mr. Amess, that accountants know the cost of everything and the value of nothing. I am thinking about value, rather than cost, which is why I am emphasising the broader assessment.

We should not neglect that broader assessment, because it might be believed that NICE—that body of esteemed worthies whose task is to concentrate on clinical excellence—would ensure that all their assessments are based on sound knowledge and practice. There is a very strange story to tell in relation to that, however, and I wonder whether I have time to tell it all before 12.30 pm.

Initially, an assessment group was established. It was not a national assessment group, however; it was a group based in Liverpool. I have nothing against Liverpool; I was a great fan of Tommy Handley and Ted Ray. I am not very keen on Jimmy Tarbuck, but I appreciate Steve Gerrard and Michael Owen, so I am not down on Liverpool at all. The assessment group was asked by NICE to consider its views on stents, including drug-eluting stents. It formed an opinion, and published it—openly and publicly—well before the closing date for consultation. Having published its views at that point, it seems it was reluctant to withdraw from the position it had adopted, which in my opinion is rather less well informed than that of other agencies that took a broader view.

The fact that the mesh design of stents was being refined in various different places—not just in this country but elsewhere—was not taken into account; neither were the economies of scale—size would be a misleading word, nor the fact that costs are reducing. The initial conclusion that drug-eluting stents would cost something like £600 more than bare metal stents was totally off the wall, completely wrong, and very badly out of date.

I have to say that the opinions of so many different experts—by which I mean consultants—is testimony to the fact that the earlier sums were wrong, and that the opinions need to be reviewed. NICE is currently making its assessment, but has already issued a statement that it is likely to recommend that drug-eluting stents no longer be used in the national health service. That position is based on the assessments of the Liverpool group, which hardly seems sensible given that those evaluations were based on knowledge that is more than two and half years old. In that period, there have been developments in the forms of stents and in their production and cost of manufacture. It is now generally thought that the cost difference between bare metal stents and drug-eluting stents is something in the region of £320 for a 12-month procedure. If we include in the comparison the fact that the drug-eluting stent causes fewer repeat procedures, the cost saving is even greater.

If we measure the advantages of using stents compared with bypass surgery, there is a colossal saving in theatre time, bed time, healing time and staff time, which holds out the prospect of the Government reaching its 18-week target waiting time, of which they have made so much in the past.

Unfortunately, it seems that there is a bit of an argument between cardiac surgeons and cardiological interventionists. The number of PCIs—stent insertions—used to be the same as the number of open-heart procedures, but there are now three or four insertions for every open-heart operation. Some will immediately say that that is very good, because it reduces waiting lists and improves patient prospects. However, I can understand that if a cardiac surgeon has spent 12 years or so working out how to carve somebody's sternum into two, open their thoracic cage and get at whatever he finds inside—he would not find much in this place, because not many politicians have a heart—then he will want to protect his professional status and the need for his expertise. Nevertheless, our prime consideration should be the interests of the patients. Even allowing for the vagaries of accountants, we should also consider the cost implications—or rather, the value implications.

I am concerned that NICE's assessment might well be adversely affected by false logic and misinformed intervention. The fact that we have put our faith in drug-eluting stents in the past is well testified to by Professor Lord Darzi. This morning I spoke to the Secretary of State for Health, although not on this topic. At a certain party conference that I have to say that I did not attend, he said:

> "Eight years ago the NHS performed 17,000 angioplasties, a procedure to widen blood vessels for patients suffering from heart problems. Last year the figure was 55,000, a 3-fold increase. This has significantly reduced the length of stay in hospitals for patients who would otherwise have had a much more complicated operation."

Professor Darzi, in his testimony to the Select Committee on Health, made particular reference to drug-eluting stents, but for the life of me I cannot find the quotation. I apologise for that.

Several studies of drug-eluting stents in routine clinical practice have suggested that those devices may be associated with a reduction in death—the most important of all health outcomes, I would suggest. Studies that confirm that have been conducted in Ontario, Massachusetts, western Denmark, the Carolinas, Pennsylvania, New Jersey, Seoul, Rotterdam—the list goes on. All reported the beneficial impact of drug-eluting stents, but NICE is in danger of announcing that they will no longer be available in the national health service, and all on the

basis of NICE's quite wrong impression that a drug-eluting stent costs £600 more than a bare metal stent when in fact the cost difference is £320—that is not taking into account the repeat procedures on a bare metal stent.

The other aspect of the issue that makes me feel real anger is that I am told that NICE will announce its decision on 31 December and there will be only a 15-day period in which appeals can be made. You, Mr. Amess, are a very sociable fellow and, like me, you will enjoy a party or two with your family and friends during the yuletide period. That includes 31 December, and festivities usually require a recovery period, which sometimes means a visit to a GP. Fifteen days from 31 December means compiling and submitting an appeal by 14 January. It seems less than sensitive to the needs of the community that things should be decided in that way.

I know that other hon. Members want to speak, but before I conclude let me make it plain that I am not making the case for drug-eluting stents as opposed to bare metal stents. The medical profession has the responsibility to look at each individual patient and assess them and their needs, not in isolation but with a clear focus. The medical profession has to decide what the needs are and whether the best approach is drugs only, which could be the case; bypass surgery, which could be the case depending on what is happening in the person's plumbing; bare metal stents, which might be the most advantageous approach; or drug-eluting stents. Those are the options, but drug-eluting stents cannot be used if they have been taken out of the list. That would be nonsense.

I am not arguing that it should be drug-eluting stents as opposed to bare metal stents, that it should be stents as opposed to open-heart surgery or that it should be anything as opposed to drugs. I seek an undertaking from the Minister that NICE will be asked to concentrate on its job of assessing fully all the information—not just the information that was gathered two and a half years ago but the information that is being collated as we speak—before it comes up with its decision on 31 December. What has hitherto centred on the question what cost drug-eluting stents has, in my view, crystallised into the question what cost clinical excellence? NICE should concentrate on that.

11.25 am

Dr. Desmond Turner (Brighton, Kemptown) (Lab): It is a pleasure to serve under your chairmanship, Mr. Amess, especially as I know your interest in this area. I congratulate my hon. Friend the Member for Stockton, North (Frank Cook) not only on securing this important debate, but on putting the case so eloquently. I, too, declare an interest. I am of an age when I may need a drug-eluting stent at any time, unlike my hon. Friend, who has first-hand experience and is living proof of the virtue of this piece of technology. Also, among my other activities, I chair the all-party group on medical technology.

Medical technologies have made many important contributions, particularly in the field of cardiology. They include pacemakers and so on, but the drug-eluting stent is one of the outstanding ones. The normal problem that we find with the adoption of medical technologies by the health service is that it is rather bad at taking them up, for various reasons, which I will not dwell on now. We find that in the UK, compared with our European neighbours and the United States—compared with other medically advanced countries—the use of very helpful, cost-effective medical technologies that have great patient benefits is at a very low level. The galling thing is that, in every case, those technologies have been assessed by NICE and NICE has approved and recommended them, but they still have not been adopted.

The drug-eluting stent was assessed in 2003 by NICE and was recommended, and it has been enthusiastically adopted by cardiologists throughout the land. It is virtually a first choice of treatment. That is entirely consistent with the national service framework for coronary heart disease, which was one of the first NSFs produced by the Government. That was appropriate because coronary heart disease is the country's biggest killer. It was therefore one of the first NSFs to be developed.

It is still the case that, in that NSF, revascularisation—in other words, angioplasty—as opposed to a bypass is the recommended first line of treatment for coronary artery disease, provided that the patient fulfils the reasonable criteria. In addition, a recent report by Professor Roger Boyle, the national director for heart disease and stroke—the heart tsar, if you like—entitled "Mending hearts and brains—clinical case for change" sets out the case for drug-eluting stents as the appropriate first treatment for a heart attack in appropriate patients. So why is NICE taking the line that it is at this time? Why is it seeking to take out of cardiologists' toolkit their most treasured and sharpest chisel?

NICE must have a very good case if it is to do that, because with angioplasty we are talking about a procedure that has great advantages. It is much cheaper for the health service than a bypass operation. It is not invasive. The stay in hospital is extremely short and the patient can make a rapid return to normal life. One of the best recent examples is our own much loved Rhodri Morgan, who recently had a coronary event and was given a drug-eluting stent, I am informed. He was back leading the National Assembly of Wales within a few days. That shows the value of that piece of kit and of the procedure.

As my hon. Friend has said, in the last year in which they were counted, 54,000 angioplasties were carried out. The problem with angioplasty and a bare metal stent is restenosis—the reblocking of the vessel. That can occur in 50 per cent. of patients who are given bare metal stents. With the use of drug-eluting stents, that is dramatically reduced by 55 to 60 per cent. The total costs of the procedures are £4,240 for an angioplasty using a bare metal stent and £4,588 for using a drug-eluting stent. The percentage difference is minimal—in the single figures. However, cost-effectiveness should be established by the reduction in the number of repeat procedures alone.

It beggars belief that NICE can come up with a cost-effectiveness calculation that gives the price of £200,000 for a quality year, which is the unit that NICE and other health economists use. I cannot see how NICE has come to that conclusion, given such a small differential between the price of using a drug-eluting stent and a bare metal stent. How does it get that figure? Its information base—derived from the

[Dr. Desmond Turner]

Liverpool assessment group—is clearly completely different from that of all European cardiologists and the rest of the UK.

The implication of NICE's calculations is profound: if it proceeds with its draft guidance and withdraws its recommendation of the stent, the number of repeat angioplasties will increase by a degree that is difficult to estimate. That will have a cost through the deterioration of patient quality of life as well as a cost to the health service in repeat procedures. The cost will be enormous. The implication is also that others will not be able to be revascularised and will have to have bypass operations, which cost twice as much. The implication of that misguided guidance, if it is followed through, will be an enormous financial cost to the health service, a considerable cost to patients—including some otherwise avoidable deaths—

Dr. John Pugh (Southport) (LD): I am not sure whether the hon. Gentleman means that NICE guidance was poor because its research base was poor, because the process of appraisal was poor or because both were poor.

Dr. Turner: Both are perceived to be poor in this case. I have observed that in other NICE appraisals in the past. They have come out right in the end, but involved a lot of heartache in the process. We have a narrow patient base that is not representative and a false interpretation in carrying out the calculation.

The consequences are enormous for patients and enormous in cost. The capacity of the NHS will also be threatened, including its capacity to deliver the reduction in waiting times that we are looking for. The implications for the increasing use of beds and for staffing are enormous. NICE's recommendation is critical.

It is also critical to NICE's reputation. My hon. Friend the Member for Stockton, North is absolutely right to say that it boils down to NICE meaning clinical excellence. If NICE is to set the standard of clinical excellence, the way in which it does so and the reliability of that standard are critical. I simply ask the Minister—I know that she cannot direct NICE, because we have set it up with a degree of independence—

Frank Cook: Can I alert my hon. Friend to the fact that I felt very concerned that Andrew Dillon, the chairman of NICE, publicly expressed the view—at least, it is printed in *The Times*—that he wishes NICE to become independent of the NHS? What does my hon. Friend think could be the possible consequences of NICE breaking away from the NHS and then assuming an input on the practices and procedures that the NHS adopts?

Dr. Turner: My hon. Friend has made an important point. Although NICE needs to be independent, in the sense that we do not want it to be dictated to by Government—we do not want the Government to turn to NICE and say, "The cost of the health service budget is getting out of hand. Can you make sure that your recommendations keep it down for us?"—with that independence goes a heavy responsibility. NICE must ensure that its scientific and medical assessments are made to the highest standards so that when it says that x is an example of clinical excellence and should be used, or alternatively that x is sort of okay but is not recommended because it is not worth it, we can rely absolutely on that advice.

NICE does not do its own research. It relies on others. Thereby hangs the weakness. Not all the people whom NICE calls on to carry out assessments for it are of the same excellent standard. In this case, one has to question why the Liverpool group is so much at odds with the entire cardiac community.

Frank Cook: I am sorry; I do not want to keep intervening. However, will my hon. Friend consider the fact that the situation may have come about because the group was so keen to publish its initial findings? It would have been much wiser for it to wait and to hear a broader view before crystallising it into a definitive opinion. The group dug itself into a foxhole, but continued to dig further rather than stopping.

Dr. Turner: My hon. Friend raises an interesting point. I would love to know what peer reviewers of the Liverpool publication had to say, assuming that it was peer reviewed. I do not know whether it was. Any peer reviewer considering a publication that is so much at odds with what everyone else thinks would need to look closely to ensure that the methodology is correct. The Minister has every reason to ask NICE, in the nicest possible way, to reconsider very carefully its methodology and to see whether it is sound. The simple logic dictated by the narrow cost difference between bare metal stents and drug-eluting stents is that its cost-effectiveness figures are impossible. If NICE proceeds with them, I fear that its reputation will be fatally damaged. If the figures are right, however—that is a big if, and I put the odds at about 200:1 against—NICE needs to go to great lengths to justify them, otherwise it will not only do patients, the NHS and the cardiac community a great disservice, but it will undermine its own credibility.

11.41 am

Dr. John Pugh (Southport) (LD): It is a pleasure to serve under your cheerful chairmanship, Mr. Amess. I congratulate the hon. Member for Stockton, North (Frank Cook) on introducing this important debate in an informative and extremely knowledgeable way. I must say that neither drug-eluting stents nor cardiology is a specialist subject of mine, although I recently had my heart checked out during an annual health check. They put the blood pressure tourniquet on me, and all was going well, until the phone went—it was my local paper. My blood pressure shot up immediately, and I had to ask them to do it again.

The efficacy of treatments is not an obvious subject for politicians. It could be regarded as a medical debate between cardiologists and surgeons about whether the use of stents is preferable to keyhole or bypass surgery; whether metal stents work better than drug-coated eluting stents or genetically engineered stents; about when and where they should be used, or about the short and long-term effects of each therapy. The side effects and the psychological, physiological and social

effects of each therapy can be discussed, and issues have been raised about whether the research into the effects and powers of various treatments has been adequate.

Ordinarily, this serious debate would be a matter for research journals, such as *The Lancet*, rather than Westminster Hall, if it were not for the fact that public money is involved. When spending public money, we must ask ourselves which treatments work better and, therefore, whether we are using public money as best we can; we then ask policy makers to form a view. In most circumstances, we are reluctant to give clinicians a completely free hand, because we recognise the pressures on them—for example, from drugs companies. Furthermore, they have vested interests. Contributors to this debate have mapped out the vested interests of surgeons as opposed to cardiologists. We are also reluctant to give patients a completely free choice, because cost and clinical outcomes can be uncertain.

In an age when medical treatment was much of a muchness and much of it unsuccessful, we could be fairly relaxed about value for money. However, things are not so easy in an age when medicines are high-tech, and when there are significant differences in the price of treatments. In a sense, therefore, we need a body such as NICE, whose primary job, as I understand it, is to separate therapies that deliver value for money from those that do not. It does not provide regulation; it does not forbid anything. It provides guidance. It does not outlaw procedures, but suggests which ones offer better value for money. Primary care trusts and other health care providers can then respond accordingly.

I attended a session at which NICE considered a particular drug—not one related to cardiology or heart complaints—and I was quite impressed by the exhaustive nature of the process. Patients suffering from the complaint under investigation were present during the assessment and it was robustly chaired. I am reluctant to venture a counter-opinion to the flow of the general debate today, but without proviso, I can say that NICE does a very workman-like and thorough job. However, demonstrably—this is illustrated in debate after debate—it does not end arguments, as is the case here. That is probably because value-for-money judgments in the medical world differ from those in other contexts.

I serve on the Public Accounts Committee and am familiar with debates about value for money, but by and large, we look at public expenditure and policy. We do not debate whether a policy is good or bad; however daft we consider it to be from the point of view of value of money, its objectives are normally relatively clear. It is fairly simple, therefore, to consider how efficiently a certain policy or programme of expenditure delivers on its objectives.

The objectives of medical therapies, drugs and other treatments are not as clear and are often quite diverse, as seems to be the case with stents. They can fulfil a number of objectives: they can avoid the need for surgery, prolong life and diminish pain. I understand that there are differences in how far different stents diminish the pain from complaints such as angina. They can also complement other therapies such as—most obviously—angioplasty and reduce patient anxiety. Furthermore, we must consider how much they can evade side effects or forestall subsequent treatment.

Different evaluations ride upon how those objectives are weighted. Behind that, there is another debate about how NICE should prioritise legitimate medical objectives, such as pain relief, as opposed to cures and clinical efficacy. There can be uncertainty about such clinical priorities, and disputes about the objective of therapies and medicine, which engineers controversies that have been aired today. That will be true especially if, the real time effects are questionable—I am talking about the Liverpool research. There is no infallible pope to help the medical world.

Frank Cook: I am the first to agree with the hon. Gentleman's statement—of course, no assessment is infallible. However, does he agree that in making a more realistic assessment, it would be better to use information from 2007-08, rather than from 2004-05?

Dr. Pugh: I accept that point, except that a number of people have made legitimate criticisms of the processes that NICE uses to do its job. I am arguing that there are weaknesses in the process, but it could be, and has been, argued that it has not made the best fist of the process as it is customarily run.

NICE gives guidance and, presumably, works under a constitution, which it has to establish in advance and through which it conducts its own procedures. There is no evidence that the guidance that NICE works with is less contentious than the guidance that it gives. That creeps into other issues—for example, in connection with Alzheimer's drugs. With those drugs, what it criticised is not so much what the research is saying but what research NICE allows to be taken into account in the first place.

I do not think that it can be plausibly argued that quality added years, which NICE awards therapies and which are the basis for its recommending them, follow through an irresistible, logical, conclusive process from the research that NICE commands and surveys. It just ain't that simple.

At the end of the day, no mathematical calculation can simply produce the right or appropriate number. No mathematical calculation can substitute for a degree of human judgment, and no human judgment is completely uncoloured by unstated preferences and values. None the less, despite saying all that, I must acknowledge that NICE aspires to giving a dispassionate verdict and that, if NICE is not perfect, there does not seem to be a better tool currently available.

I think that the hon. Member for Stockton, North has made a very convincing case about why NICE should examine its verdict on stents again, not only because he says that it should, but because he is speaking on behalf of the thousands of patients whose lives depend on NICE getting this judgment call right.

11.51 am

Mark Simmonds (Boston and Skegness) (Con): May I begin, Mr. Amess, by saying how pleased I am to see you in the Chair today?

[Mark Simmonds]

I should like to join other hon. Members in congratulating the hon. Member for Stockton, North (Frank Cook) on securing this important debate and introducing it in such an articulate and informed way. He detailed the medical procedures; he quite rightly highlighted his personal experience, the benefits of which we all heard today in his articulate and passionate introduction, and he was speaking not only on his own behalf but on behalf of the many thousands of people who have benefited from those procedures in the past.

The hon. Gentleman comprehensively set out the issues regarding the different types of stent, including the all-important drug-eluting stents that we are discussing this morning. Importantly, he also highlighted the complexity and disparity of medical opinion regarding the cost-effectiveness of drug-eluting stents, and it is that opinion that NICE must make difficult judgments about. I am sure that he would be the first to acknowledge the difficulty of making those judgments.

We then heard from the hon. Member for Brighton, Kemptown (Dr. Turner), who made an extremely informed contribution to the debate. He set out the international comparison and the international dimensions, which are very important. He also highlighted the importance of restenosis—in other words, the likelihood of recurrence of such problems, which would be made more prevalent by the use of bare metal stents, and the ongoing cost to the NHS of that procedure. He also highlighted his view that both the research base and the analysis on which NICE seems to be making its judgment were flawed.

NICE, in my experience, is extremely thorough in all its investigations. It needs to be acknowledged that NICE is, correctly, an independent body and that it must make very difficult judgments and decisions. However, I think that I am right in saying that those at NICE who are involved in making those decisions will read this debate avidly and will take on board the information from the various comments that have been made.

Before I go on to the specific issues, I just want to set out the context of this debate. The Conservatives are extremely supportive of the NHS, which is why we have promised to match the Government's spending, as outlined in the comprehensive spending review. We have three specific priorities for the NHS: first, we want it to be patient-centred, based on information; secondly, we want it to be based on outcomes, not on centrally processed and driven targets; and thirdly, we want much greater emphasis to be placed on public health. We want to empower patients to be at the centre of the NHS, and we want the NHS to look outwards and not, as it currently does, upwards.

The Conservatives are also extremely supportive of NICE, and we respect its independence. It is right that decisions about the guidance on which drugs are made available by the NHS should be made by clinicians and other experts, rather than by politicians. We support the Government in establishing NICE. In a moment, I will come to some of our recommendations to improve the procedure of NICE. However, such judgments should be made as freely from political interference as possible; otherwise, the power of lobbying groups will end up dictating which conditions and treatments should receive approval and which should not.

It is right that patients have access to treatments that are judged to be cost-effective and clinically effective for their condition. There should be no reason for variances in national access. However, there are areas in which NICE could be improved and we have made a number of suggestions to that end.

Currently, there are long delays before drugs and treatments are approved by NICE, which has caused significant regional variations in prescribing and legal challenges to those variations. Before the decision by NICE, individual primary care trusts set prescribing criteria. As we all know from our constituencies, those criteria can vary widely, both between primary care trusts and within individual primary care trusts.

Such variation in access to drugs and treatments causes a great deal of uncertainty and angst for patients and their families, and it reinforces concerns about a postcode lottery. It also gives the impression that NICE is hindering clinical guidance and clinical betterment, rather than enabling it, and that impression needs to be changed. That is one of the reasons why the Conservatives have pledged to allow NICE to begin its assessment of new drugs and treatments as the drug licensing process begins, rather than afterwards. That would reduce the period of uncertainty between licensing and the completion of NICE guidelines.

The Minister of State, Department of Health (Dawn Primarolo): If I may just help the hon. Gentleman, that is already the case; NICE starts its procedures at that point. As yet, he has not raised anything that would lead to a change in procedures. So, before he tries to advance a point that he thinks is new, let me reassure him that that is precisely what NICE does as licences come up to be agreed.

Mark Simmonds: I am intrigued by that intervention from the Minister. If she will bear with me, I will move on to a couple of other points. However, she will also be aware that that is not what happens in practice at the moment. We need to speed up the process of the appraisal of drugs and medical treatments, because there is a lot of uncertainty.

Dawn Primarolo: The hon. Gentleman knows that an absolutely crucial part of NICE's determination process, which my hon. Friend the Member for Stockton, North (Frank Cook) rightly wants clarified today, is the consultation period and then the time for appeal against its initial determination. That is the pressure on the length of time that NICE takes to complete its procedures. Which one of those two things does the hon. Gentleman suggest that NICE should jettison to shorten the exercise?

Mark Simmonds: Both things must be considered, because we need faster clarity both for patients and for the primary care trusts that will ultimately commission the services on their behalf.

In our recently published Bill on NHS autonomy and accountability, we propose a statutory and expanding role for NICE, to give it greater independence and

establish it as a statutory body, rather than as a special health authority, as it currently exists. To pick up a point that the hon. Member for Brighton, Kemptown made, we also need to analyse the quality adjusted life years method. We must carefully consider whether the threshold should be adjusted, whether it should take into account wider societal costs, where appropriate, and the complete cost to the national health service of particular treatments and whether NICE should approve them in guidelines. NICE should also play a wider role in producing evidence-based commissioning guidelines on standards of care to encourage best practice and the achievement of outcome objectives.

The hon. Member for Stockton, North quite rightly mentioned that patient groups, including people at high risk of restenosis, such as those with small blood vessels, long narrowings or diabetes, and some clinicians have voiced concerns about the decision potentially to allow treatment with only bare metal stents. Those patients account for about 40 to 55 per cent. of all patients undergoing angioplasty. I shall summarise the arguments that NICE must consider while it fully assesses all the available information to make a decision about potential guidance by the end of the year.

There is an argument that the decision would represent a step backwards in the clinical treatment of heart disease. Unlike most situations in which NICE has denied a treatment for drug-eluting stents, bare metal stents have previously been approved, and there is a suggestion that that decision may change, so I can understand why that issue is causing such angst and concern.

The hon. Member for Brighton, Kemptown was absolutely right that more patients will require repeat procedures if they develop restenosis. Studies have shown that drug-eluting stents reduce the necessity of further intervention by between 60 and 80 per cent., which is a significant amount. Not only could repeat procedures be detrimental to the patient, but they will be more expensive for the NHS to provide in the long run, according to the British Association of Cardiac Patients. The British Cardiovascular Society has calculated that, if NICE recommendations do not change, more than 5,000 patients will require a repeat procedure that they might not have had to undergo if initially given drug-eluting stents. NICE needs to consider that information in full.

Clinicians might also have to refer more patients for open-heart surgery instead of angioplasty, as the risk of restenosis in certain patient sub-groups, such as those with diabetes, is so high—currently, 24.9 per cent. It is obvious that surgery carries more risk to the patient, and it is more expensive in both treatment cost and length of recovery. The combination of more repeat procedures and more surgery could also increase waiting times, as surgeons will have more and longer procedures to undertake. As the hon. Member for Brighton, Kemptown highlighted, drug-eluting stents are widely used elsewhere in the world, and the guidance against their use in the UK could send an unhelpful message to those developing new technologies and treatments.

The British Cardiovascular Society has claimed that the NICE assessment process for drug-eluting stents was flawed in three further ways. I am not saying that I agrée, but these points need to be considered when decisions are made. First, the process was based too much on a local audit from a single intervention facility. Secondly, the figures that NICE uses to calculate cost-effectiveness are inflated compared with the true costs that hospitals actually pay, making the stents appear less cost-effective than they truly are. Thirdly, the BCS is concerned that patients with complex conditions who are turned down for surgery may well have no treatment at all, as bare metal stents might not be appropriate in their individual cases. That needs to be considered carefully.

The decision must ultimately be for NICE to take. It is right that, as an independent body with specific clinical expertise, it considers such complex and difficult matters. It is not for politicians of any party, without the necessary expertise, to have a definitive influence. Decisions about clinical effectiveness and cost-effectiveness should be decided by NICE. However, we urge it to ensure that its assessment process is rigorous, fair and takes into account potential costs to the national health service, as well as the quality of life of the individuals involved. We want Britain to have the best health service in the world, with outcomes equal to or better than those of other European countries. For that to be achieved, we must offer the most innovative and effective treatments and ensure the best possible outcomes for patients and their families.

12.3 pm

The Minister of State, Department of Health (Dawn Primarolo): I begin by thanking my hon. Friend the Member for Stockton, North (Frank Cook) for raising this important issue and, as others have said, for his detailed consideration of how best we can improve clinical care for people with heart disease. His personal reflections on the care that he has received from cardiac specialists provide a powerful backdrop to the debate. If I may say so, he stands as an impressive testimony to the great strides forward in modern medicine that the NHS has made in recent years. I pay tribute to him for the energetic role that he plays in the House on a wide range of matters and for his commitment to improving care for other people affected by heart disease.

The Government, too, are committed to developing a world-class service for heart disease that prevents ill health, saves lives through better treatment and improves the quality of life of people living with heart disease—all the main points that my hon. Friend touched on. We have already made great progress: deaths have fallen, long waits are a thing of the past and we have invested in more staff and modern facilities to deliver state-of-the-art treatments. The pace of medical progress means that we are continually offered new opportunities to treat more people in different ways with an ever-broadening array of drugs and devices.

Of course, it right that we must regularly review treatments used in the NHS to ensure that they are both clinically effective and cost-effective. As my hon. Friend is aware, NICE has yet to conclude its review of earlier guidance on using drug-eluting stents in the treatment of narrowed heart arteries. It issued a consultation document last summer, and its appraisal committee met earlier this month to consider the responses submitted.

[Dawn Primarolo]

Clearly, it would not be appropriate for me to go into the detailed discussions about the possible content of NICE's recommendations while guidance is still being developed. All the Members who spoke touched on the importance of the independence and thoroughness of NICE's procedures. I hope that I can reassure my hon. Friend the Member for Stockton, North that robust mechanisms are in place for the consideration of the concerns that he raised.

I say to my hon. Friend that the advice given to me was that we were expecting NICE to publish its final guidance next March. I have not been provided with the date when the next series of documents will be available following the appraisal committee's discussions. If he will bear with me, I will look further into the date of 31 December that he mentioned. Perhaps I can write to him on that, as I do not have the details before me.

Dr. Pugh: On the robust measures being adopted to remedy any complaints that people may have, a point that has been made persistently in the debate is the rather narrow research base on which NICE is working. What will be the robust mechanism to address that? Will a peer review be presented to convince sceptics that the Liverpool research should be relied upon?

Dawn Primarolo: If the hon. Gentleman will bear with me, I wish to touch in the same sequence as my hon. Friend the Member for Stockton, North did on what treatments should be available, their price and the collection of evidence. I shall come in a moment to the point that a number of Members have made about the Liverpool data.

It is precisely because of the complexities of modern treatment and the opportunities offered that we need to ensure equity, clinical effectiveness, as my hon. Friend repeatedly said, and value for money for patients. Those were the reasons for the establishment of NICE as an independent body. It should take into account all the factors that he suggested in coming to conclusions and making recommendations.

Before we had NICE, guidance was issued by numerous bodies at national, regional and local levels, which had different ways of appraising evidence and developing recommendations. The status and implications of that guidance procedure were not clear, which led to confusion for clinicians who, as my hon. Friend said, rightly want to know what care they should be expected to give, and for patients, who want to know what care they should expect to receive. They want the evidence, advice and guidance on that to be coherent, so that we do not have variations in practice emerging across the country, as my hon. Friend said. NICE therefore has to have robust, evidence-based guidance, which we expect clinicians to take fully into account. NICE has modernised the way in which decisions are made in the NHS, bringing greater certainty, clarity and confidence. It spreads good practice, helps to protect patients from outdated or unproven treatments and is internationally recognised for its excellence.

In October 2003, NICE published a technology appraisal of the use of stents in operations for heart diseases. As my hon. Friend so eloquently explained, stents are tiny mesh scaffolding devices that are used to hold open damaged arteries. There are two main types: the older, bare metal stents; and the more recently developed drug-eluting stents, which—I shall not attempt to improve on my hon. Friend's excellent description—are coated with drugs to reduce the likelihood of the artery later becoming inflamed or obstructed.

In its 2003 guidance, NICE stated that the decision on which type of stent should be used should depend on the person's syndrome and the size and shape of the narrowed part of the artery. It recommended the use of drug-eluting stents for arteries of small diameter or with longer narrowed areas. As with that 2003 appraisal, NICE returns to and routinely reviews its earlier guidance, as it is now doing. It has to publish an appraisal consultation document, which it did last July. I absolutely agree with my hon. Friend that the focus should be on therapeutic outcomes and what needs to be developed.

Between 2003 and now, stent technology has developed rapidly and many new products have come on to the market. There has been some comment on price, and I must point out that in that period, unusually, the list price for drug-eluting stents has increased. It is now in a price range of about £650 to £1,500, whereas the cost of bare metal stents has fallen. My hon. Friend rightly touched on the question of those costs and more complex relationships, to which I shall return. First, I want to make it clear that the draft recommendations do not constitute NICE's guidance to the NHS. All recommendations are preliminary and may change after it has considered the full range of consultation responses that it has received.

Frank Cook: I am encouraged by the Minister's assurances, but I think that she should check the basis for the statements that she has made in the past two minutes. I have done up-to-the-minute research on this issue and I know for a fact that the unit cost of drug-eluting stents has been falling progressively in the past 18 months. It is somewhat incorrect to say that they cost the amounts that the Minister has just presented to the House. I entreat her to get her team to check the basis on which she has made those remarks.

Dawn Primarolo: I have done precisely that. If my hon. Friend looks at the NICE "Ischaemic heart disease—coronary artery stents (review): appraisal consultation document", under paragraph 3, "The Technologies", he will see the collection of data on price.

The key consideration for NICE when making its determination on this issue is the cost-effectiveness of drug-eluting stents compared with bare metal stents, and it is undertaking work on that. When making a recommendation, it has to be confident that it is using a price that is stable, transparent and available to any NHS purchaser of that drug or device. That is why it relies on the manufacturer's list price as the most effective and reliable guide to the cost of devices, and that is precisely the way in which we would expect it to determine reliable prices.

Dr. Desmond Turner: Surely the most realistic estimate of cost is not the price of individual stents but the cost of the whole procedure. If NICE's cost-effectiveness calculations were based on the cost of the whole procedure, taking into account the high occurrence of restenosis and repeat procedures with bare metal stents, the outcomes would be very different, because the percentage differential between the two forms of angioplasty with two different forms of stents is only in single figures—about 5 per pent.

Dawn Primarolo: That is precisely the work that NICE undertakes. We all want transparency and reliability in the NHS on the cost of drugs and devices. The calculations that my hon. Friend has just described—comparing the clinical effectiveness and price of bare metal and drug-eluting stents, as well as the benefits—is precisely the work that NICE is undertaking. I know that many representations have been made on this during the consultation period, and I do not want to stray into speculation because of independence considerations. The issue is this: if we cannot rely on the list price that manufacturers say they are charging, how do we get a reliable, transparent price that enables NICE to make complex assessments on clinical need and effectiveness?

Frank Cook: I make these remarks with the utmost respect to you, Sir John, but I am afraid that we are in danger of succumbing to the accountant's mentality of looking at the cost of everything, rather than the value. The case that I am making is not about whether drug-eluting or bare metal stents, bypass or drugs should be used. They are all part of the panoply of techniques that a cardiologist and cardiac surgeon can use. Which one is used on which patient is entirely a medical decision to be made by professional people who are fully trained and experienced. My case is that there is a danger, as my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) said, of NICE removing from the toolbox the drug-eluting stent tool when, in fact, it is eminently sensible to use it in certain cases. If it is not there, a patient who is badly in need of the technique may be penalised. That is the whole purpose of the debate—it is not to say which technique is best here or best there. That is for the consultant to decide.

Dawn Primarolo: I do not think that my hon. Friend and I disagree on the point about what constitutes appropriate treatment, but the debate is about the assessment that NICE is undertaking of the clinical effectiveness of the bare metal stent as compared with the drug-eluting stent. The work that NICE does involves a complex collection of information and research, using what is referred to as a QALY—a quality adjusted life year—to consider precisely the point that my hon. Friend rightly raises: whether, for the extra cost, there are extra benefits that make one treatment more clinically effective. The question is not whether treatments are available.

I have listened carefully to my hon. Friend's points, and I know that NICE will consider this debate alongside its other considerations. At present, the recommendations are preliminary and they may change after NICE has considered the full range of consultation responses. The advice currently in place is from 2003.

I assure my hon. Friend that the Department of Health—alongside professional organisations such as the British Cardiovascular Intervention Society, representatives from industry and patient organisations—has contributed its views to the consultation exercise. NICE's appraisal committee is reflecting on the responses. As I said, it would not be appropriate for me to try to pre-empt what it may conclude, as it is independent, but I want to reassure Members about the Liverpool assessment group's view on costings. The Department has asked for the economic model to be reviewed because of concerns about the use of the Liverpool data. NICE is taking that information into account in its consideration of all the responses to the consultation, which I am informed it will publish on its website. Therefore, I reassure my hon. Friend that the specific points about the Liverpool assessment group have been taken up. Let me be clear: until NICE concludes its review, its early guidance remains in place. It is entirely appropriate for clinicians to follow the 2003 guidance.

Ensuring the most up-to-date, evidence-based, high-quality clinical care for people with heart disease is of course pivotal to the work of implementing the national service framework for coronary and heart disease. Since the publication of that framework in March 2000, the hard work and commitment of NHS staff in tackling heart disease has meant that some 178,000 lives have been saved. We have already met our 2010 target to reduce mortality from cardiovascular disease by 40 per cent. in people aged under 75; in fact, it was met five years early. Since 2005, no one has had to wait more than three months for heart surgery, and 68 per cent. of people who suffer a heart attack are treated with clot-busting drugs within 60 minutes of calling for help.

Of course, there is more to do. As my noble Friend Lord Darzi of Denham outlined in his interim report, "Our NHS, our future", we have been running a feasibility study to look at expanding the use of stenting, or primary angioplasty, as the main treatment for heart attack right across England. That vision is set out in more detail in "Mending hearts and brains", the December 2006 report by the national clinical director for heart disease and stroke, Professor Roger Boyle, who was referred to earlier.

I absolutely assure my hon. Friend and others who have taken part in this debate that the treatment of heart disease continues to be a high priority for this Government. The great strides that have been made since the publication of the national service framework should be built on. I hope that I have been able to stress—without straying outside my specific responsibilities and inadvertently into the independence of NICE—the value of having a completely independent body to review a complex and ever-changing evidence base and to take proper and due consideration of all of the evidence and views expressed on the subject.

I again thank my hon. Friend and the other contributors to this thoughtful and reflective debate on these incredibly important issues. NICE should and will consider their comments carefully.

Post Office Closures

12.28 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): It is a great pleasure to have this opportunity to initiate a debate about post office closures in the London borough of Sutton. The issue is of great concern to many of my constituents and those of my hon. Friend the Member for Carshalton and Wallington (Tom Brake), who hopes to catch your eye, Sir John, and who has the agreement of the Minister to contribute to the debate.

This debate is a continuation of one that started in the chamber of Sutton council just last week when the local authority debated its concerns about the network change programme that is about to be unleashed on the residents of Sutton. On behalf of the local authority, I pass on to the Minister its serious concerns about the methodology and adequacy of the envisaged consultation, and its desire to sustain and support a proper network of sub-post offices in the London borough of Sutton and to engage seriously with the team that is conducting the consultation.

I come here with three pleas. The Minister will not be surprised to hear that the first is a plea to abandon the plans that are unfolding around the country, and to seize the opportunity to launch a rethink about future ways of securing the network. However, if that plea falls on stony ground, I have two others to which I hope the Minister will give further consideration. The first is that there needs to be more time for the consultation regarding the network change programme if it is to be meaningful and if the public are to have any confidence in it.

My final plea concerns the need for greater flexibility in the decision-making process. I come to this debate with experience of the network reinvention programme of two or three years ago, which saw six post offices close in my area. Many of my constituents believe—I share their belief—that the consultation exercise was little more than a sham. It started with the suggestion that substantial sums of money would be offered to sub-postmasters who opted to close, and they signed contracts, which effectively tied their hands to a decision by Post Office Ltd. Those financial incentives made the consultation exercise unfair, and the consequence was unplanned gaps in the network.

My constituency witnessed the closure of Belmont village post office, which left a lot of my constituents many miles away—bus journeys away—from the nearest post office. Lack of common sense behind the proposals led to, for example, the closure of the Cheam village post office. Again, that post office was well used not just by local residents but by local businesses, which must also now go further afield to bank their cash.

The intention was that the network reinvention programme would be a strategic process to stabilise the network, but how long was it supposed to stabilise it for? Here we are again, with more proposals on the way. The network change programme threatens every local sub-post office in the land. We understand that in Sutton the proposals are being rushed out on 19 February next year for six weeks' consultation, which brings me to my first substantive point. The six-week consultation period is just not enough to do justice to the proposals that we are likely to face. It is a breach of the Cabinet Office's rules, which say that the written consultation period should be a minimum of 12 weeks. I know that it is not a Government consultation, but it flows directly from Government policy and should therefore follow Cabinet Office guidelines.

Six weeks is not enough for customers, and it is not enough for my constituents. It is certainly not enough for local authorities and other local organisations to engage meaningfully, to criticise, to scrutinise and to examine the justification for the proposals. Indeed, I agree with the report of the Select Committee on Trade and Industry, which will be debated later this week, that it was hard to understand why an extra six weeks could not be justified, given that, despite the argument that that would create further uncertainty for sub-postmasters, they have been living with uncertainty since 1999 at the very least. Slightly more time for consultation would help to ensure that if the closures go ahead, the outcome will be more durable and will not result in our returning to the matter in two or three years to seek another set of closures to stabilise the network again.

My second point concerns flexibility. Predetermining the number of closures—2,500 on this occasion, of which 1,250 are in urban and suburban areas—turns the consultation exercise into little more than a data validation or checking exercise. There must be more flexibility on the number of post office closures, so that the consultation is seen to be meaningful and genuine in affecting the outcomes and totality of closures. My constituents want to be reassured that the methodology for selecting post offices for closure is fair and well grounded in evidence. There should be transparency, even if that only helps to validate the data on which the decisions are made. We also need to be sure that when the Post Office says that 90 per cent. of the population will live within a mile of a post office and 99 per cent. within three miles, that is not just an exercise of drawing circles on maps, and that real weight is given to local knowledge, transport infrastructure, the way in which major roads and railway lines disrupt access, and commercial and regeneration factors. If those matters are not included in the decision making, I fear that we may have a network that looks perfect on paper but is not fit for purpose on the ground.

The Government must make a clear decision about what they are doing to support the post office network. Departments have made a number of decisions that continue to destabilise the network. For example, the decision of the Department for Work and Pensions not to renew the Post Office card account contract beyond 2010 means that £1 billion of post office network revenue will be lost. Local post offices are a vital lifeline. They contribute to the vitality of the local economy, and their closure causes difficulties and hardship. Research by Help the Aged found that between 2001 and 2005, the proportion of elderly people who use post offices once a week went up, which is an example of more people wanting to use post offices. If their local branch closed, 88 per cent. of older people would have to make special travel arrangements. The fear is that this further round of closures will not stabilise the network, but will simply leave it in an even more vulnerable condition.

It remains unclear what happens when an unplanned closure takes place. If the programme goes through and we have a new, lean, mean network, and if branches start to close, how will the gaps be plugged, and what guarantees are there that those gaps will be plugged? Instead of managing the decline of the network, why do the Government not take steps to improve the competitiveness and diversification of services? Why not unlock some of the value of the Royal Mail to reinvest in the network, and to bring new capital into the business?

My constituents have seen the number of post offices fall from 16 in 1999 to seven today. The local postal network is already full of holes, and more closures will result in even more holes. We were told that the network reinvention programme was the answer, but we are debating the matter again today. Clearly, it was not the solution for stabilising the network. We are now told that the network change programme is the answer, but will it be? If there must be more closures, I hope that the Minister will say today that there will be more time for consultation so that there can be meaningful dialogue with local people and their representatives, and that there will be more flexibility regarding the outcomes. If that is not possible, my constituents will rightly draw the conclusion that in February next year they will be faced with yet another sham consultation and yet another piece of evidence that the Government are content to preside over the decline of our postal network.

12.37 pm

Tom Brake (Carshalton and Wallington) (LD): I thank my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) for allowing me to speak in this important debate about the future of post offices in Sutton. No one can be in any doubt about the importance of post offices. People understand that, and often refer to the fact that, they are the lifeblood of rural communities. Indeed, they are often the lifeblood of urban and suburban communities. Just last week, I was in the queue at my local post office—I try to give it as much custom as possible—and the person behind me tapped me on the shoulder and said, "You won't let them close it, will you?". That view is no doubt supported by the 600 or so people who have signed a petition in the past few weeks about the future of local post offices.

Post offices provide a lifeline for people, and the postmasters who run them often bend over backwards to provide additional services not only to help their customers, but to ensure the longer-term survival of their businesses. For example, they may provide free cash machines in places where they were not previously available.

As my hon. Friend said, it is extremely disappointing that the proposals for yet another round of closures are coming so soon after the closures that came with the network reinvention programme, which has an Orwellian ring to it. That saw the closure of post offices in Westmead road, Stanley Park road, Stafford road, Plough lane, and Banstead road in my constituency, to name but a few. When such closures take place, consideration should be given to the impact on remaining post offices, because the queues at post offices that are still open are dramatic. That must be factored in when these matters are looked at.

I want now to focus on the Government's responsibility for post offices. A few years ago, I sought to raise the related issue of the way in which postcodes are allocated, because there is an ongoing problem in Beddington, in my constituency, whereby people are being allocated Croydon postcodes, which means that they must pay higher insurance premiums, for instance. However, I was not allowed to initiate a debate about that in Parliament because the Government have no control over the issue. The issue before us would appear to be very similar, because the Government say that they have no responsibility for post offices or for Royal Mail, although that flies in the face of what everyone in the country believes.

I asked a parliamentary question about the issue on 8 November and received a response on 13 November. I asked the Secretary of State for Business, Enterprise and Regulatory Reform what assessment had been made of the effects of post office closures on local communities in London. The response that I received said that the Government had no responsibility whatever in that respect and that it was for Post Office Ltd to take account of the impact of such closures. It concerns me greatly that the Government do not consider that they have any role in assessing the effects of proposed post office closures, when a range of people—from business people through to very vulnerable groups—depend heavily on post offices.

The Government cannot simply wash their hands of this issue; they are not an independent observer who can sit and watch as 2,500 post offices are closed throughout the country over the next few years. If they were willing, they could will the means in the way that my hon. Friend set out: they could introduce imaginative proposals to secure the future of many post offices, and perhaps the opening of new post offices in places where there is increased demand. I want the Minister to give us some indication that the Government are not simply watching events from afar, but are willing actively to engage in the process and particularly to assess the impact of post office closures, rather than leaving that to Royal Mail.

12.42 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on securing the debate and the hon. Member for Carshalton and Wallington (Tom Brake) on the points that he raised. This is an important issue, and I cannot pretend that any process involving the closure of post offices will be popular or that it will not give rise to significant concern in local communities, so I appreciate the concerns that both Members have raised on behalf of their constituents. However, I want to take some time to show that, faced with declining customer numbers, increasing losses in the network and lifestyle changes that have affected how people access services and information, the Government and Post Office Ltd had to take the difficult decision that they did.

The background to this issue is the consultation document that the Government issued last December, which set out our initial view. That was followed by the Secretary of State's announcement in May this year. In brief, he announced that there would be up to 2,500 post office closures and that sub-postmasters leaving

[Mr. Pat McFadden]

the network as part of the programme would be compensated for their service to the community. I am not quite sure whether that is what the hon. Member for Sutton and Cheam meant when he talked about financial arrangements, but it is right and proper that sub-postmasters leaving the network be compensated for their efforts, and that is part of the programme.

Mr. Burstow: Just for the record, I was referring to the network reinvention programme under which people were offered money as a financial incentive to leave the network, not to people being paid compensation when they were nominated to leave the network, which is what is now being proposed.

Mr. McFadden: I thank the hon. Gentleman for clarifying that he is happier with the present arrangements than with the previous ones.

The Secretary of State also announced that there would be 500 new outreach services alongside the closures, and that there would be new access criteria to ensure reasonable access to post office services. The Government's role and Government support have been mentioned. As part of the present programme, the Government, on behalf of the taxpayer, will invest £1.7 billion in the network until 2011, including an annual subsidy of £150 million to keep open branches that would otherwise not be sustained.

Tom Brake: The Minister has rightly said that the Government are investing in the post office network. If they are doing so, however, why do they not believe, according to the parliamentary answer that I received, that they have any role in assessing the impact of post office closures?

Mr. McFadden: The Government set the financial framework but we do not make decisions about individual post offices, as I am sure that the hon. Gentleman understands—that is a matter for Post Office Ltd.

If the Post Office operated on a purely commercial basis with no external subsidy of the kind that we have allocated, it is estimated that up to four times more branches could be under threat than under the current programme. However, the Government do not take the view that this is purely a commercial service, which is why we have committed such a large public subsidy to the Post Office and why we are working with it to secure a more stable network for the future. That was recognised by George Thomson, the general secretary of the National Federation of SubPostmasters, who recently said that

"although regrettable we believe that these closures are necessary to ensure the remaining post offices are able to thrive in the future."

Let me set out some of the current challenges faced by the post office network. Post Office Ltd has been losing money for some years now, and those losses ran at about £3.5 million a week last year. Four million fewer people visit post offices every week, compared with just two years ago. Eight hundred post offices have fewer than 16 customers a week, and each transaction in those offices costs the taxpayer about £17 in public subsidy. Some 1,600 offices have fewer than 20 customers a day, and the subsidy per transaction in those offices is about £8. In urban areas, 1,000 sub-post offices are competing for business with at least six other post offices within a mile of them, and at a time when the overall number of customers has been falling.

The Post Office is also being challenged by lifestyle change. Eight out of 10 pensioners have their pension paid into a bank account, and the figure is nine out of 10 among new retirees. Last year, half a million people a month renewed their car tax online, but a million people a month have done so this year, with almost half of them doing so outside the normal office hours of nine to five. Other changes, such as direct debit and competition from those offering bill payment services, for example, also have an impact.

Reference has been made to Government decisions on these fronts, but the Government have a duty to respond to trends in the way that people expect their money to be paid to them. There is also the legitimate issue of the public purse. It costs 1p to pay a benefit or pension into a bank account, but 80p to do so through the Post Office card account and £1.80 a time to do so using a girocheque. Do we really believe that any Government will reverse the trend toward putting services online so that people can access them 24 hours a day, and go back to girocheques that cost £1.80 a time, with the increased risk of fraud that that would entail?

I was asked about the future of the Post Office card account. There will be a successor product but the Government cannot legally just allocate it to the Post Office, which is why it is out to tender. The Post Office is bidding and we believe that it is in a strong position, but there must be a tendering process involving the competition that is out there, whether the hon. Gentlemen like it or not.

The challenge to the Post Office is real because of lifestyle changes and competition. Of course, not everyone is online and not everyone is gaining access to services, paying bills and receiving money in that way, but millions are, which inevitably affects the way that people access Post Office services. The trends that I have described will not go away; they will probably intensify. I do not believe that the future for the Post Office can involve a call to turn back the clock. Instead, it will be a question of giving people new reasons to use it, and of providing services that make it a local provider of choice.

I still think that the Post Office will have great strengths. Even after the closure programme, the network will be bigger than that of all the banks put together, and about three times bigger than that of all five of the biggest supermarket chains put together. It will still have an unparalleled reach into every corner of the UK. The Post Office has been rising to the challenge of innovation and the development of new products. It is now the biggest provider of foreign exchange in the country; it is a major provider of car insurance; it has launched a new broadband service in partnership with British Telecom; it is introducing 4,000 free-to-use cash machines; and it has recently, and perhaps topically, announced a new, secure Christmas pre-payment scheme, aimed at Christmas 2008, which will be in full operation next year. That is

the road that the Post Office must travel—providing new services and new reasons to go to it, all based on a trusted brand.

At the same time as the closures are happening, Post Office Ltd will open about 500 new outreach services in outlets such as community centres, retail outlets and mobile post offices, all of which could help to mitigate the consequences of the planned closures in some areas.

Tom Brake: I thank the Minister for giving way on the subject of the consequences of closures. I hope that he will respond to my question about the extent to which he expects account to be taken of the impact of closures on neighbouring post offices, and particularly on queues.

Mr. McFadden: Postwatch, the consumer body, is closely involved in the preparation of the plans. Several factors are taken into account, and I shall come to the way in which the process of network change is working. Let me answer some of the questions about that, and about timing and the six-week consultation period.

It is true that representations were made to the Government about making the six-week consultation period 12 weeks or longer; that view was taken in the report by the Select Committee on Trade and Industry, and by others. We had a decision to take. The process is already taking 18 months, and we felt that to increase the consultation period significantly would increase uncertainty in the network. We had to take a decision that would give the right balance, and we think that a six-week period achieves that. The six weeks are for public consultation, but before that stage the area plans seek input from Postwatch, local authorities and sub-postmasters. It is then that the six-week consultation process begins.

I want to be clear about what the process involves. It is essentially about how, not whether, the plan is implemented. That was made clear to Members in the letter that they received from the Post Office in July, setting out the closure process. It stated:

"As you will understand, the consultation in respect of the Local Area Plan will not concern the principle of the need for change of the Network, nor its broad extent and distribution...Rather consultation will be seeking representations on the most effective way in which Government policy—as set out in the Response Documents—can be best implemented in the particular Area in question."

The first area plan went out to consultation on 2 October. Five public consultations have now closed. The first closures will be announced next week and under the current timetable the final process should be completed around the end of next year. I understand from Post Office Ltd that evidence from the initial area plans shows that on average, about 15 per cent. of the original closure proposals have been changed following input by local authorities and stakeholders.

As I said at the beginning of my remarks, the process is not easy and I appreciate the concerns raised in communities. Post office closures have been happening for some years. They are happening in other countries, too, precisely because of the lifestyle changes that I have talked about. We have tried through the process to manage the reduction in the size of the network, to ensure reasonable access criteria for the population, to introduce new access services in some areas and to give Post Office Ltd some financial certainty.

Mr. Burstow: I want to ask the Minister about something that he did not cover in his response. Once the programme is complete and closures have taken place, what safeguards will be put in place to ensure that new gaps do not open up in the network?

Mr. McFadden: There is always turnover in the network. Some 10 per cent. of post offices change hands every year. The process is not something to which the Government can put a stop. However, I believe that the access criteria offer some certainty for the future, which will help to ensure reasonable access to the network in both urban and rural areas.

Bus Services (Preston)

12.57 pm

Mr. Mark Hendrick (Preston) (Lab/Co-op): Just over 20 years ago, Nicholas Ridley, the then Secretary of State for Transport, decided that the best way to address the declining bus industry was to deregulate services and open them up to competition. In doing so, he unleashed chaos on to our streets and sent bus usage plummeting.

The Transport Act 1985 removed the duty of local authorities to co-ordinate public passenger transport. It meant that operators could run bus services where they liked, when they liked and as they liked. There was no requirement for bus operators to consult before making changes to timetables or the position of bus stops. The criteria for registration did not include any reference to public demand or to existing services. The only place where that did not happen was London, where there has been regulated competition—competition for the market, rather than the cut-throat on-the-road competition of deregulation. Thanks to that, only Transport for London decides the routes, timetables and fares for buses in the capital.

In the majority of towns and cities deregulation has been a miserable failure. Statistics show that, since 1985, the number of bus journeys outside London has fallen. Journeys inside the capital have, however, increased significantly. Deregulation has led to reduced services, particularly in off-peak times, confused and changeable timetables and increased fares where there is a local monopoly. Since bus services are disproportionately used by the poor and those without access to a car, it is the socially excluded who are the worst hit by disruptive services.

Large operators in so-called bus wars very often use dirty and underhand tactics intended to drive out smaller competitors, rather than improve services. One such war is taking place on the streets of my constituency in Preston. The transport monster, Stagecoach, has moved in and is trying to kill off the local employee-owned Preston Bus company, which has been established for more than 100 years. It is the last employee-owned bus operator in the country and the only operator in Lancashire that has been involved in partnership schemes with the local authority. Of its 300 staff, more than 10 per cent. have worked for the company for more than 25 years, which highlights the integrity of the organisation. For three years, Stagecoach has targeted the profitable routes in Preston and undertaken an aggressive fare policy to increase pressure on Preston Bus business.

The situation intensified last summer when it emerged that Stagecoach wanted to buy Preston Bus. Selling to Stagecoach would result in serious job losses and cuts in service, so Preston Bus resoundingly said no to the proposal. During discussions with Stagecoach, Peter Bell, the managing director of Preston Bus, was left in no doubt that, if he did not agree to the sale, Stagecoach would secure the operations by hostile competitive means.

The regional director of Stagecoach, Tom Wileman, told Preston Bus that, if it did not sell, Stagecoach would take its business anyway. That resulted in the current fiasco in Preston in which Stagecoach is attempting to run Preston Bus off the road. Since their meeting, Stagecoach has waged war on Preston Bus—something that has made passenger services unreliable, disrupted and downright dangerous.

Stagecoach's aim is to carry as many customers as possible at the expense of Preston Bus, and it has dispatched an additional 40 buses to run in the Preston area. The company's tactics mean that it rarely keeps to registered timetables. The tactics have included keeping buses at stops until they fill with passengers; it is not unusual to have gaps of 20 minutes between services that should run every seven or eight minutes. The company has also taken an ad hoc approach to dispatching buses, so when a bus arrives at a stop without customers on board or without customers waiting, it will be sent back to the terminus to be dispatched at a busier time.

Controllers monitor the departure of Preston Bus vehicles, so that they can put a Stagecoach bus in front at key departure stops. My constituents have reported that some Stagecoach staff have driven dangerously to get in front of a Preston Bus vehicle. Those reports include one of a driver making a three-point turn on a busy main road and of one overtaking on the wrong side of the road. Some reports say that Stagecoach controllers have virtually forced passengers to board their buses rather than wait for a Preston Bus. I witnessed a controller taking a woman with a child by the elbow to get her to board a Stagecoach bus.

Stagecoach has also deliberately given false information to customers with the aim of undermining Preston Bus, including suggesting that Preston Bus was about to go bust, that its prices would be going up and that services were about to be cancelled. If manhandling and misleading customers were not enough, two Stagecoach drivers were convicted of throwing eggs at moving Preston Bus buses. The *Lancashire Evening Post* has reported extensively on those incidents.

Graham Stringer (Manchester, Blackley) (Lab): I have listened carefully to the story of woe that is transport in Preston. Unfortunately, I am not shocked or surprised to hear it, because exactly the same thing happened in Manchester two years ago. Stagecoach has an appalling record. It is a subsidy junkie and a predator, and it engages in anti-competitive behaviour. Does my hon. Friend agree that we need to strengthen the Local Transport Bill, so that we can stop Stagecoach and other companies from behaving in a dangerous and anti-competitive way?

Mr. Hendrick: I totally agree with my hon. Friend, and I shall come to the Local Transport Bill later.

Stagecoach has altered its fares to undercut Preston Bus. It has offered free rides, and free day and weekly tickets to customers who would want to catch a Preston Bus vehicle. In September, Stagecoach increased fares in its other Lancashire operations, but froze fares that competed with Preston Bus. Those services operate at a substantial loss, but Stagecoach is a large international bus operator with some 10,000 buses, as well as major rail interests, so it can afford to spend money to gain a monopoly in Preston.

None of that enhances bus services or encourages higher patronage. Clearly, passenger satisfaction—and

safety—comes a poor second to Stagecoach's profits. Stagecoach now operates on most of Preston Bus's most popular routes, but it provides no early morning service and limited or no evening or Sunday services. Fares have been lowered in Preston, but they are effectively subsidised by customers in other parts of Lancashire who pay a good deal more than double the new Preston rates, usually to travel on much older buses.

I should point out that Preston is only the latest city to witness such tactics. In the 20 years since deregulation, Stagecoach has resorted to bullying and hostile competitive practices around the country. Many people remember what happened in Darlington in 1995, when the local authority put its municipal bus operation up for sale. On failing to win the bid, the Darlington Transport Company was faced by Stagecoach, which rapidly recruited many of the former's drivers, registered services from commercial routes and began to operate on a free-fares basis. The local company could not survive the onslaught and, following the withdrawal of the chosen bidder, it went bust. Stagecoach argued that the Darlington company was in trouble long before it arrived, but the Monopolies and Mergers Commission—now the Competition Commission—gave a damning verdict on its actions, stating that the company was

"predatory, deplorable and against the public interest".

Stagecoach never apologised for the mayhem that it caused in Darlington.

Christian Wolmar, a national newspaper journalist at the time of the Darlington incident and the first reporter to break the story, noted that Stagecoach got away with similar events in Inverness and Lancaster. He also recorded that, in the decade after deregulation, Stagecoach was referred to the Office of Fair Trading some 30 times. Of those complaints, eight resulted in MMC hearings and seven found Stagecoach's actions to be

"against the public interest",

which forced the company either to divest or to be the subject of specific regulatory action. Of course, any action taken by the Competition Commission is welcomed, but at present it is taken painfully slowly. In many instances, punishment has been applied long after a small firm has been forced out of business, so speed of response is crucial.

Not only passengers get a raw deal out of Stagecoach's actions; more than 1,200 bus drivers at Stagecoach in Manchester were today due to start six days of strikes. They were protesting at a pay deal that leaves them falling behind the Manchester market rate. The drivers, all members of the Unite trade union, currently earn almost 15 per cent. less than other Manchester operators. I understand that the strike has been narrowly averted. It is not surprising in such a climate that many passengers have turned to the reliability and ease of the private car.

The Government are striving to reverse declining bus patronage. Bus subsidies are at record levels, and the Transport Act 2000 improved the situation to some extent. One of the answers to the problems in Preston might be the introduction of quality contracts, which would replace open competition with a licence regime. Effectively, they are London-style franchising schemes, whereby operators bid for exclusive rights to run bus services on a route or group of routes. Under a quality contract, the local authority determines what services, including routes, timetables and fares, should be provided in an area.

An increase in the number of quality contracts would make bus networks more stable in that there would be less frequent changes to fares, timetables and frequencies; more reliable, because services would be monitored and there would be incentives for good performance; and better integrated, because having one brand, one network and one ticket would make fares simpler. Buses would be cleaner, because contracts could require bus operators to provide newer, cleaner buses and to maintain them properly. However, to date, no authority has ever applied for such a contract.

The Local Transport Bill addresses some of the issues that I have mentioned: it will allow greater flexibility to implement quality contracts, make it easier for those who want a quality contract to get one and replace the current arrangements with a new set of public interest criteria. The traffic commissioners will also have a stronger role in monitoring bus punctuality and a broader range of sanctions to impose on operators that are failing to deliver a punctual service. The Bill will also enable the traffic commissioners to hold local authorities to account for their contribution to punctuality performance, and it will allow the creation of an influential new bus passenger champion to represent the interests of bus passengers.

Quality contracts must strike the correct balance between cost and quality and, as I have said, take into account value for money, cleanliness, reliability, punctuality, staff training and vehicle environmental standards. Such contracts should also give local authorities powers to consider a company's ties to the local community and thus its understanding of the community. Perhaps routes could be bid for in bundles, which could be packaged so that different routes were offered differently to meet the community's needs.

Even more can be done. Traffic commissioners could be given more powers, not only to intervene and correct bad behaviour, but to work more closely with the competition authorities where quality contracts are not in place. The commissioners should be able to indicate to the competition authorities that the competitive commercial environment is leading to buses racing on inner-city roads and jostling for position and passengers at hotspots in our inner cities, with the consequent risks to passenger safety.

The competition authorities must be able to act quickly and must not wait until the competition has been killed of, as was the case in Darlington. It is only a matter of time before there are serious injuries or possible fatalities, because of cut-throat competition. Traffic commissioners should be able to work with the competition authorities where the competitive environment leads drivers and companies to adopt measures that are adverse to public safety, increase congestion and lead to dangerous driving of the type that I have described.

The competition authorities should be able to insist that the services that operators run reflect the true costs of the provision, rather than allowing routes in Preston to be effectively subsidised by customers in other parts of Lancashire or the country as a whole. Using the criterion of local market share, rather than national or even regional market share, in determining abuse of a

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dominant position does not take account of the true strength of a player or company in the market. Such changes are badly needed.

Members of Parliament from all parties are deeply frustrated that their constituents have so little influence over the state of their bus services. After 20 years of chaos, now is the time to allow local authorities to reclaim their streets and stop the "Wacky Races" that we see now. Only then will we put an end to bus barons blatantly disregarding passengers and public safety in favour of profits.

1.13 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I congratulate my hon. Friend the Member for Preston (Mr. Hendrick) on securing a debate on a subject of such importance to his constituents and others. I hope that my remarks respond to the issues that he has raised, but if omit any, I assure him that I will write to him with further information.

Buses play a vital role in our transport system. Two thirds of all journeys on public transport are made by bus. It is important to the public—particularly those who rely on public transport—that buses work well, which for the most part means their offering a reliable and punctual service at a reasonable price. Where buses operate to their full potential, with the local authority and bus operators often in partnership, they offer a significant contribution to meeting national and local objectives. However, there are examples where, for whatever reason, bus networks are not fulfilling their potential and some communities are missing out. That is one reason why we introduced the Local Transport Bill, about which I will say more later.

Before moving on to discuss the situation in my hon. Friend's constituency, it is perhaps worth giving a bit of the background to put it in context. As my hon. Friend has said, bus services outside London have been deregulated for more than 20 years. The majority of such services are provided on a commercial basis, without subsidy. Bus operators, most of whom are in the private sector, can register services on routes on which they wish to operate, subject to fulfilling some basic requirements, such as being licensed to operate a bus service and providing a timetable.

In general, bus services are open to competition from other companies. Such competition can benefit consumers through lower prices and improvements in the quality of the services being provided. There is no rule prohibiting big companies from competing with smaller companies: that happens in many markets. In some cases, a larger company's ability to offer lower prices may simply be due to its being more efficient. Competition legislation—the Competition Act 1998—prohibits conduct that amounts to the abuse of a dominant position, although it does not in itself prohibit the holding of a dominant position.

I will now turn to the situation in my hon. Friend's constituency: the so-called bus wars between Preston Bus and Stagecoach.

Mr. Hendrick: Will my hon. Friend the Minister respond to my point? Does not the current situation whereby the share of the market locally, rather than regionally or nationally, is considered in terms of a dominant position give a disproportionate strength to a national company at the expense of a small local company, even though the local company might have a greater share of the market in a single town, as in Preston?

Jim Fitzpatrick: My hon. Friend makes a straightforward, logical point about market distortion, which may be subject to elements that are outside the local environment. A company's minor market share locally may not, as he says, mean that they are the smaller of the two operations, because it may be part of a much larger—indeed, a national—combine. I will return to that later.

There have been similar situations before—for instance, in nearby Manchester, as my hon. Friend the Member for Manchester, Blackley (Graham Stringer) mentioned. Whether in respect of retail business or buses, we have to determine whether competition rules are being abused in such circumstances. That is the job of the Office of Fair Trading, to which allegations of anti-competitive behaviour should be directed.

From my understanding of the local situation, the launch of new Stagecoach services in Preston around June 2007 represented, perhaps, the first large-scale competition in the Preston bus market for some 15 years. Stagecoach introduced high-frequency services with new low-floor buses and offered new ticket deals. Preston Bus responded by introducing low-floor buses of their own and began operations on traditional Stagecoach routes. On the face of it, that seems like good news for the consumer, but I recognise that there can be repercussions associated with intense competition for bus markets. Over-bussing routes, poor co-ordination of services and the absence of co-operation between operators can be detrimental to passengers, as my hon. Friend the Member for Preston said. That can also cause road safety and congestion problems.

The traffic commissioners have powers to impose traffic regulation conditions, where requested by a local authority, to prevent danger to road users or to reduce severe traffic congestion. Where a TRC is in place, all bus operators in the area must comply with it. In this case, Lancashire county council, as the local highway authority, monitored the operation of the increased bus services and felt that the situation presented potential dangers to road users. In view of that, the council applied to the traffic commissioners to introduce a TRC to prevent buses from stopping other than to pick up or set down passengers at a number of locations in Preston. That TRC came into force on 30 July.

Essentially, the aim of the TRC is to prevent buses from exceeding waiting times at bus stops in an attempt to get more passengers or block other buses. However, despite that TRC, I understand that the traffic commissioner is still receiving complaints regarding the operation of buses in Preston. The situation is being monitored. For instance, a recent survey was undertaken to assess compliance with the TRC. The commissioner is considering those complaints and whether regulatory action should be considered at a public inquiry. The county council is also holding regular meetings with representatives from both Preston Bus and Stagecoach to discuss the implications of the increased service on certain routes. There have

also been complaints about the actions of some bus drivers. The traffic commissioner announced an inquiry into that matter, although it has been adjourned until the format of the hearing can be agreed.

Action is being taken locally to look into the Preston situation. We are also taking action nationally to help to prevent such occurrences from becoming more widespread. A large part of the Local Transport Bill involves giving local authorities a better range of options to improve local bus services in their area. The Bill will provide more opportunities for quality partnerships, allowing them to specify minimum frequencies and maximum fares. Operators would have to be willing partners in that, but the negotiating hand of local authorities would be strengthened.

In particular, the potential for partnership between local authorities and multiple bus operators would be improved, and experience shows that bus services work best when there are good relations between operators and local authorities. If the provision of bus services in local markets can be improved through partnership—to the benefit of consumers—the potential for future bus wars should be reduced. Bus wars might generate benefits in the short term, but they do not generally benefit consumers in the longer term.

When there is a strong case for quality contracts—the system adopted in London—we are making them a more realistic option. Local authorities must still demonstrate that the public benefits will be large enough to justify considerable influence in the market.

The Bill will also help to address some of the consequences associated with bus wars. Some stakeholders have commented that the current legislation does not provide sufficient flexibility for traffic regulation conditions to be applied until after problems have actually arisen. We have concluded that it would be useful for traffic commissioners to have the power to impose TRCs in anticipation of future safety or congestion problems, rather than having to wait for such problems to occur before taking action. As now, a TRC would still have to be requested by a local authority. In addition, we have determined that the time is now right to provide a more visible and influential voice for the bus passenger. As my hon. Friend said, the Bill includes provisions to take that forward. We plan to issue a consultation paper shortly that will outline the detailed options.

Competition between bus operators should bring benefits to consumers. However, when there are concerns about anti-competitive behaviour, the OFT should be informed. When there are concerns about the performance of buses on the roads, the traffic commissioners can take action, and they are continuing to investigate the situation in my hon. Friend's constituency.

In conclusion, my right hon. Friend the Minister of State, Department for Transport is due to meet the chief executive of Stagecoach tomorrow, and I am sure that she will bring the debate to his attention, as I am sure that my hon. Friend the Member for Preston and I will bring it to her attention later today.

Macular Degeneration

1.23 pm

Sir John Butterfill (in the Chair): Order. As both the initiator of the debate and the Minister are present, we shall commence the debate early.

Mr. Peter Bone (Wellingborough) (Con): Thank you, Sir John. I am pleased to open a debate on an issue that is important to my constituents, and I am grateful to Mr. Speaker for having granted permission for it. I thank the Minister for attending; she is well known for her compassion and her understanding and for her knowledge of the NHS. I hope that the debate will be constructive, and I certainly do not intend to make any party political points.

I have been contacted by a significant number of people in my constituency who suffer from wet eye age-related macular degeneration and who have been told that they must either pay thousands of pounds for sight-saving treatments or go blind. Age-related macular degeneration is the most common cause of sight loss in the UK and accounts for 57 per cent. of all certificated visual impairment and blindness in this country. Of the two types of age-related macular degeneration—wet and dry—wet eye is the most virulent and can cause blindness in just a few months. There are some 250,000 people in the UK with wet AMD, and 24,000 new cases are diagnosed each year.

Wet AMD not only directly affects the vision; in the early stages it takes its toll on the ability to drive, read and see faces. It is the latter stage that causes blindness. However, it also restricts independence in the elderly. In fact, only arthritis and heart disease cause greater functional impairment in the elderly in this country. The difference in the case of wet AMD, however, is that it can be treated in a way that allows sufferers to continue to enjoy their independence and their sight.

Two licensed drugs for treatment of wet AMD are currently available on the market: Lucentis and Macugen. Those drugs are called anti-VEGF, and they work by neutralising the agent that causes abnormal blood vessel growth and by reducing the fluid leakage from blood vessels that causes wet AMD. Avastin is another drug used to treat wet AMD. In cases in which the local NHS provides treatment, it is the drug most commonly used. Avastin is licensed for treatment of some cancers but is also effective "off-label" in treating wet AMD, and is cheaper than Lucentis or Macugen.

The National Institute for Health and Clinical Excellence is the Government body that rations health care in England and Wales. Its soul aim is to ration or deny treatment within a nationalised health care system. None of the treatments that I have mentioned has NICE approval, although a decision on Lucentis and Macugen might be made in the spring of next year. However, NICE has been dragging its feet in providing guidance, and its delay is allowing people to go blind. Primary care trusts have an excuse not to prescribe anti-VEGF drugs as a course of treatment because they can hide behind NICE. That is where our problem lies.

The Northamptonshire Association for the Blind has stated that 80 per cent. of patients with wet AMD in this country will be denied sight-saving treatments on

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the NHS. The other 20 per cent. of sufferers will have to go blind in the first eye and start losing sight in the second before receiving treatment. If there is a drug to cure people, they should be treated on the NHS. After all, the elderly people whom the disease affects have paid taxes all their lives to fund the NHS.

Mrs. Linda Riordan (Halifax) (Lab/Co-op): It is true that the disease affects older people. However, one of my constituents, Lynne Smith, is just over 50, and is not receiving treatment. She has been told that she must start to go blind in her second eye before the treatment is available. Does the hon. Gentleman agree that that is totally unacceptable?

Mr. Bone: The hon. Lady's intervention is very positive. She is correct in what she says, although I shall explain later that that policy is not universally applied across the country. There are different ways to treat wet AMD.

I should like to read a passage from a letter I received from the Northamptonshire Association for the Blind. It says:

"This appalling situation is totally unacceptable, and is, we understand, based totally on cost. The appropriate treatments, Lucentis and Macugen, are freely available in Scotland. It is almost as if England is now a third-world country when decisions about eye health and AMD are made."

The letter refers to the crux of the problem that we have in parts of this country: cost and funding of the local NHS. My constituents go to see their GP who then refers them to a consultant who diagnoses wet AMD. The good news that they tell patients is that the patients can be treated and cured. The bad news is that treatment cannot be done on the NHS in their area, but if they go to the private hospital two miles down the road, they can be treated at £1,100 per eye per injection and their sight can probably be saved.

I do not blame the consultants; they are right to tell patients that the drugs are available privately, rather than telling them that there is no treatment at all. However, we are talking about elderly people who do not have thousands of pounds spare to save their sight. In any case, why should they have to fork out their hard-earned savings when other areas of the country prescribe anti-VEGF drugs freely? If my constituents lived in Southampton, Sheffield or Liverpool, they would be treated with sight-saving drugs on the NHS. Of course, if they lived in Scotland, I would not need to have this debate at all. The Scottish Medicines Consortium—Scotland's equivalent to NICE—has already approved the use of Lucentis and Macugen. Indeed, Lucentis and Macugen are approved for use and reimbursement across much of mainland Europe.

My local Northamptonshire primary care trust runs a second-eye policy. That means that patients with wet AMD may be treated with photodynamic therapy in the first eye, which is a less effective treatment, if they meet the stringent criteria. Patients will not be treated with anti-VEGF drugs until they start losing their sight in the second eye. Again, they have to meet the east midlands' exceptionally stringent regional criteria.

The decision-making process is long and bureaucratic and requires a trip to Leicester. By the time the decision is made, patients' sight will have deteriorated considerably, or they could have gone blind. Such an alleged choice is in fact no choice at all. I suggest that that criterion, which was put in place only recently, was cobbled together solely to avoid patients suing the PCT. I believe that the decision is made not on clinical grounds but, sadly, on financial grounds.

Through recent clinical trials, Lucentis has been shown to improve sight in 70 per cent. of patients with wet AMD, and 40 per cent. of patients experience the significant improvement of three lines on a vision chart. When someone goes to an optician, they are asked to read letters on a vision chart. Let us imagine the improvement to their quality of life if, after treatment, they could suddenly read three more lines on the vision chart.

Let me give an actual example by describing how the delays and bureaucracy have affected one of my constituents. Mrs. Durrant contacted me after waiting for an unacceptably long time to hear whether she was eligible for treatment. Her consultant went through the correct procedure to try to get her treated with Lucentis on the NHS. He filled out all the necessary forms and sent them on to the east midlands specialised commissioning group for its approval. After a long wait, Mrs. Durrant was told that she was not eligible for Lucentis treatment on the NHS because she did not meet the interim criteria. However, she was also told that the criteria were now being changed and she would be referred for a second opinion. Once again, the decision took an inordinate amount of time, but this time round with devastating consequences—Mrs. Durrant went blind while waiting for a decision on her treatment.

When such decisions are made on financial grounds rather than on the basis of clinical judgment, the long-term effects on cost and funding are phenomenal. Costs for courses of treatment with Lucentis or Avastin vary greatly from hospital to hospital, but they are about £500 to £1,000 to the patient per injection. A course usually involves three injections of Avastin or six injections of Lucentis. Let us compare that to the hundreds of thousands of pounds that it costs to support someone who is registered blind. The state must support people who are registered blind with care in their daily lives. Why not save those costs and give back people's independence by spending just a fraction of the money that would be needed to care for a blind person and giving them sight-saving treatments when needed?

One of my constituents, Mrs. Doreen Marshall, who is in her 80s and suffers from wet AMD, contacted me after being refused sight-saving treatment on the NHS. Mrs. Marshall, a lovely lady, is the main carer for her disabled husband, who is in his 90s; they live independently. Mrs. Marshall cannot afford to go blind, as she has to give her husband 24-hour care. Although the authorities were well aware of her situation, the only option that they gave her was to pay privately for treatment. She was going blind in both eyes and had no choice but to pay for treatment so that she could continue to look after her husband.

What an incredibly shocking situation. Had Mrs. Marshall not paid for treatment and gone blind, the state would have had to pay out hundreds of thousands of pounds, not only on her care but on her husband's as well. Of course, Mrs. Marshall did not want to go blind or to be a burden on the state, so she was forced to scrape together the money to save her sight. However, there is some good news to report. Whittlebury Hall hotel and spa in Northamptonshire heard of Mrs. Marshall's plight and has very kindly refunded the cost of her private treatment.

Another of my constituents, Mrs. Ruby Waterer, had to use savings that were meant for her funeral to pay for sight-saving drugs. Mrs. Waterer was the first of my constituents to approach me after being told that the local NHS would not treat her. She used her funeral savings to pay for her first injection of Avastin, and her family paid for the second injection. However, to complete the treatment, she needed three injections and she had no way of raising any money to pay for the final injection.

Mrs. Waterer's situation attracted a lot of local and regional media interest, and I brought my constituent's case up on several occasions in Parliament. Kettering general hospital, rather than the PCT, agreed to fund Mrs. Waterer's third injection and refunded her the money for her second injection. The reason why it agreed to fund the last parts of the treatment was that there was such a delay in making a decision on her case that she was losing her sight more rapidly day by day. Congratulations to the hospital on stepping in. However, it took a huge media campaign for that to happen. I can now report that, following her course of treatment, Mrs. Waterer has regained her sight. Imagine how many other people's sight could be saved if decisions were made on a clinical basis rather than one of cost.

My local PCT is the worst funded in the whole country, according to the national capitation formula. This year, Northamptonshire PCT was underfunded by £38 million. Over the past four years, the Government have given local health care almost £150 million less than the Government themselves say that it needs as a minimum. It is for that reason and that reason alone that sight-saving treatment in my area cannot be given on the NHS.

This is not a case of the postcode lottery. That implies that underfunding happens by chance, on an accidental basis, but it is a deliberate action by the Government not to fund health care in north Northamptonshire to the level to which it should be funded. Where PCTs are funded properly, sight-saving treatments are available; where PCTs are underfunded, such as in my area, sight-saving treatments are not available. Northamptonshire PCT must receive the level of funding that the Government say that it should receive, so that people in my area are not forced to go blind when their sight can be saved.

I very much hope that NICE will grant approval for both Lucentis and Macugen very quickly, so that PCTs cannot hide behind NICE interim guidelines any longer. That has done nothing but cause confusion to local health professionals and patients. The most recent case that I have been contacted about sums the point up perfectly. Mrs. Elderton contacted me last week in despair. In January, February and March of this year, she paid out privately for three injections of Avastin, as she was told that she could not have the treatment on the NHS. She could not really afford the treatment, as she survives on her state pension, but somehow she managed to pay the money to save her sight.

In May this year, Mrs. Elderton was told by the specialist in Leicester by letter that should her sight deteriorate, she would now be eligible for treatment on the NHS. Though her sight has deteriorated, she has now been told that the NHS will not fund her treatment because the criteria have changed since she was promised NHS treatment in May. She has been informed that she has to start losing the sight in her second eye before she will be eligible for NHS treatment. Mrs. Elderton cannot afford to pay for more sight-saving treatment privately. Moreover, my constituent was given a promise of treatment on the NHS, but now that the criteria have changed, that promise has been broken. That is just not acceptable.

I ask the Minister to do the following things to stop people in my constituency and many others throughout the country going blind unnecessarily. First, Northamptonshire PCT must be funded properly. Underfunding our local health service by £150 million in the past four years has had a profound effect on the level of health care that my constituents receive compared with those in other parts of the country. Will she undertake to ensure that in future Northamptonshire PCT will be funded to the full level of the national capitation formula? Secondly, will she put pressure on NICE to make a decision quickly on prescribing Lucentis and Macugen on clinical, not financial, grounds? Thirdly, will she intervene with Northamptonshire PCT to make it mandatory for sufferers of wet AMD to be treated on the NHS with sight-saving treatments?

PCTs across the country must be informed by the Government that sight-saving treatments must be compulsory on the NHS so that there are no loopholes or excuses that local health authorities can hide behind. If a nationalised health service is to have any point, the Government must have the power to step in and direct PCTs to undertake certain treatments, as they have correctly done in certain areas of cancer care. Will the Minister take up the sad cases of the constituents whom I have mentioned and of others in my constituency who have been affected?

Finally, I know that we have a well-respected and compassionate Minister replying to the debate. The Department of Health has already agreed to send a Health Minister to Kettering hospital to discuss health problems in the area. I hope that by the time that visit takes place we will be well on the way to solving the problem of those constituents of mine who are going blind unnecessarily.

1.41 pm

The Minister of State, Department of Health (Dawn Primarolo): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing this timely debate.

I am sure that we would all be greatly concerned at any risk to our sight or that of our loved ones. Approximately 26,000 new cases of wet age-related macular degeneration occur every year. As the hon. Gentleman illustrated so graphically, it is the most

[Dawn Primarolo]

common cause of sight loss in people aged over 60. We can only try to understand how worrying and difficult it must be for someone who is at risk of losing their sight.

We all want to see the best treatments made available as rapidly as possible. Understandably, there is a lot of interest in the subject. Not only has the hon. Gentleman undertaken energetic work on behalf of his constituents, but other hon. Members have mentioned the issue to me. Indeed, I have constituents who have mentioned it, too. There is a lot of interest, particularly surrounding the development of new treatments that potentially offer hope to more patients.

In order to try to provide that best possible service to patients, we have a duty to ensure that new treatments used on the NHS are both clinically effective and cost-effective. I know that the hon. Gentleman would feel strongly about that. That is why NICE was set up in 1999. Before that, prescribing practice varied across the country and we still see variations. Through NICE, we are trying to ensure that guidance is issued that gives certainty, clarity and transparency to the national health service. We are trying to move away from different appraisals at local, regional and national levels, with different evidence being used, which can mean that different recommendations are given about access to treatment. It is about trying to ensure that we have coherent guidance.

NICE was asked to consider the matter of wet AMD, which is complex. It has already recommended the use of photodynamic therapy to treat wet AMD in some patients, and all PCTs are funding that treatment in accordance with the guidance. NICE is currently appraising Lucentis and Macugen for the treatment of AMD. Its appraisal committee met on 14 November to consider the responses it has received from stakeholders on the additional economic modelling for the original appraisal. The hon. Gentleman talked clearly about some of the issues to do with the interdependencies between families and communities and about what needs to be taken into account. NICE is appraising the two treatments together. That makes it more complicated. It is difficult, and NICE has to get it right if we are to have clear guidance across the NHS in England about what works and what should be available to patients, as the hon. Gentleman and I both want.

Macugen and Lucentis—I shall talk about Avastin separately—have been developed at about the same time and for the same condition, and so it is sensible to appraise the two treatments against each other to ensure that the NHS receives one piece of guidance and patients receive the most clinically effective and cost-effective treatments. That means that the appraisal is more complex. The hon. Gentleman asked me to put pressure on NICE and to encourage it to make progress, while respecting its independence. I, too, want to see a conclusion as quickly as possible, as would all hon. Members. However, we want to see it done correctly because of the difficulties and the importance of the subject.

I remind the hon. Gentleman that even while that process is taking place, doctors can prescribe Macugen or Lucentis in advance of NICE guidance if they believe it is the right treatment for their patient. The PCTs should be undertaking that. Guidance has been issued to the effect that decisions should not be based simply on cost. We have made it clear to the NHS that treatment should not be withheld simply because NICE has not issued guidance.

The Department issued guidance on managing the introduction of new health care interventions in December 2006. It advises NHS organisations that until NICE has published final guidance on a treatment, NHS bodies should continue with local arrangements for introducing new technologies based on an assessment of the available clinical evidence. The hon. Gentleman rightly mentioned variations, which are part of the system that we are trying to rectify. We have given the clearest possible guidance to ensure that all the sources of information help PCTs to make the right assessment. I cannot put it any more strongly. The hon. Gentleman asked me to balance the local accountability and decision making of the health service with the knowledge and understanding of what it needs to provide to its population. Clear national guidance about the parameters in which that should be done is aimed at ensuring that we do not have a postcode lottery like the one that he described.

The hon. Gentleman also mentioned Scotland. The Scottish Medicines Consortium approved Macugen and Lucentis and accepted them for use in the national health service in Scotland to treat wet AMD. Once NICE's appraisal of Macugen and Lucentis has been completed, and the guidance issued, it will supersede the guidance from the Scottish Medicines Consortium on Macugen. It is crucial, therefore, to make the right decision.

Avastin is not licensed for the treatment of wet AMD, although it is used by some clinicians if patients agree. The companies involved in its making and distribution have no plans to seek a licence for its use in treating wet AMD, and no clinical trials have been conducted for that purpose. The hon. Gentleman may think that it is regrettable, but the Government have no power to make a manufacturer seek a licence for a particular drug, although clinicians can still prescribe it.

The hon. Gentleman mentioned funding for his PCT. The 2007 comprehensive spending review continues a decade of unprecedented investment through a three-year settlement for the Department, which has increased the NHS budget by four per cent. a year in real terms. That takes the total funding from £35 billion in 1997-08 to £110 billion by 2010-11. I do not blame him for pressing his point about his PCT's funding, but he will know that the House has discussed the fact that other areas of the country are receiving considerably more than the funding formula recommendations. The Government inherited that situation.

We are trying to ensure a growth in the budgets of every PCT and that, through the pace of change programme, PCTs receive the funding suggested by the formula. The hon. Gentleman understands the complexities of those finances and will appreciate that that process must be sensitive. It is not just a question of taking money away from an over-funded area and moving it somewhere else. I assure him, however, that the Government are taking action, and will continue to do so.

Mr. Bone: This point is the most difficult for my constituents to understand: despite the fact that the Government correctly work out a national capitation formula, some areas are being overfunded. Arguments in defence of that do not wash in my area. I understand the Minister's problem, but will she give us hope that the gap will be closed perhaps next year and that we will get our full capitation allowance?

Dawn Primarolo: I do not want to mislead the hon. Gentleman: that cannot be dealt with in one year. A few months ago, this House debated extensively the Government's intention to close the gap. I know the details of that because I was a Minister replying. I am happy to write to him about our efforts to close the gap, which include an independent committee looking at the weighting in the formulae towards different PCTs.

The hon. Gentleman agrees that it is necessary for PCTs to determine how they use their funding allocations to commission services that meet the health care needs of their local populations. That has to be transparent, which should include judgments where there is no relevant NICE guidance, which we have in this case. The Government have done a great deal to make clear to all PCTs how we intend to proceed in the interim.

In conclusion, we all hope that Macugen and Lucentis fulfil their potential. It is important not to prejudge NICE's evaluation of those drugs, which is why clear guidance has been given. I am as keen as anyone for those results to be made available as soon as possible, but they must be correct and the economic analysis and the evidence as full as possible.

I hope that my comments today, and what I shall send in writing to the hon. Gentleman, about funding and treatment for age-related macular degeneration, will be provided when a PCT judges the evidence in order to justify an intervention. I hope also that I have set out the importance of an evidence-based approach to dealing with the introduction of new treatments. On this matter in particular, I could not agree more with his points and those of my hon. Friend the Member for Halifax (Mrs. Riordan) about the importance of dealing with this condition and of sending clear messages to our communities about our determination to get this right. I hope that I have made the Government's intentions clear. We cannot intervene directly in NICE's work, because it is independent. If he wishes to raise further issues, I am happy to speak to or correspond with him, and I undertake to get details of the funding issues to him as quickly as possible.

Question put and agreed to.

Adjourned accordingly at three minutes to Two o'clock.

Westminster Hall

Wednesday 28 November 2007

[FRANK COOK *in the Chair*]

Further Education (South Yorkshire)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Siobhain McDonagh.]*

9.30 am

Mr. Eric Illsley (Barnsley, Central) (Lab): I am delighted to have secured this debate, and it is a pleasure to serve under your chairmanship, Mr. Cook. I am also delighted that so many of my colleagues from South Yorkshire are here, and I look forward to hearing their contributions in due course. I hope that we can discuss a number of issues relating to further education provision in South Yorkshire, although the issues extend throughout the further education sector.

This debate originated in a recent meeting and dinner in the House attended by the principals of all the further education colleges in South Yorkshire, including Northern college—an adult education college based in the county that covers the whole northern region. As a consequence of that meeting, I decided to apply for this debate. Many issues were raised there, not least of which was the further education funding regime, which is affected by the 14-to-19 provision and will be affected by the decision to move 14-to-19 funding back to local authority budgets. I should like to express my gratitude to the principals of our colleges for providing us with the opportunity to have this debate.

I shall remind colleagues of the situation regarding skills in South Yorkshire, where there is a tradition of hard work and ingenuity, rather than lengthy study and formalised learning. The area is typified by lower educational attainment in secondary schools, lower post-16 participation and high numbers of young people not engaged in education, employment or training—NEETs, as they have come to be called. There are high numbers of unwaged adults and adults who receive incapacity benefits.

South Yorkshire is recovering well from the industrial collapse of the 1980s, when we lost our major industries of coal and steel. At the time, reliance was high on larger employers, such as the British Steel Corporation and the National Coal Board. We had fewer business start-ups and relied more on public sector employment than the national average.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): As my hon. Friend will be aware, British Steel and the National Coal Board took on the post-16 education situation, particularly in Barnsley. The change in the industrial scene after their disappearance meant that the local authority had to reorganise its priorities completely, and the two education departments have concentrated on training. Does he feel that that concentration is sufficient to bring about the regeneration that we require in South Yorkshire?

Mr. Illsley: My hon. Friend and I have debated many times the safety net provided in South Yorkshire by the National Coal Board and British Steel. Young people who went to work in those industries received a second chance for education through management and training schemes. I sincerely hope that the Government's focus on training will assist us to address problems in South Yorkshire, but I fear—I shall refer to this again in a few moments—that we must address the underlying problems of literacy, numeracy and general education.

A few years ago, the Japanese company Koyo—my hon. Friend will know it well, as it is located in his constituency—tried to attract young people into its employ and give them adequate training. Provided that they came to the company with the ability to read and write and had basic skills, it would train them to do the job, but the company's worry was that the young people's literacy and numeracy skills were not sufficient. I hope that the Government's concentration on training will help to improve the situation in our area.

I am pleased that the post-16 and further education agenda is receiving so much parliamentary time. We had the opportunity recently to consider some of its aspects during the Queen's Speech debate on forthcoming education legislation. It is good to see that the post-16 agenda is firmly in focus. I hope that we shall hear the views of colleagues and the Government on apprenticeships—whether there will be enough places and employers to offer them—as well as on 14-to-19 funding, the future of the learning and skills councils, the education maintenance allowance, NEETs and the consequences of raising the school training participation age, not the school leaving age, to 18.

Where is post-16 funding likely to be allocated? The question was asked during the Queen's Speech debate, and my right hon. Friend the Secretary of State for Children, Schools and Families said that the Government were

"integrating for 14 to 19-year-olds"

and

"involving employers in our diploma programme and in education and training in schools and colleges. We have brought the funding of 16-to-19 education into my Department and local authorities precisely to allow that integration to work more effectively. My right hon. Friend the Secretary of State for Innovation, Universities and Skills and I are working on that; we shall set out our proposals in due course."—[*Official Report*, 13 November 2007; Vol. 467, c. 568.]

My right hon. Friend indicated that funding for 16 to 19-year-olds will return to local authorities. The colleges' first question is whether their funding will be reduced or protected and continued.

Mr. Denis MacShane (Rotherham) (Lab): That is the key question. We have two fine institutions in Rotherham: the Rotherham college of arts and technology and Thomas Rotherham sixth form college—a big new institution where I had the honour of opening a new hall recently. They are the two lifelines for the young men and women in my constituency who will not go to university but who wish to plunge themselves into the labour market.

Ring-fenced and guaranteed funding for colleges must be flexible, and the education maintenance allowance is central to that. If funding is simply given into local authorities' hands, there will always be a temptation,

[Mr. Denis MacShane]

dedicated though Rotherham councillors are, to allow some of that money to slide to other local education authorities. We must ensure that the two education Departments—the Department for Children, Schools and Families, which deals with children up to the age of 18 or 19, and the Department for Innovation, Universities and Skills—work together to send out a signal, as the Prime Minister said to the CBI on Monday, that the money will be there to reduce the 5.5 million unskilled workers in the work force to 500,000 by upskilling the other 5 million. We will therefore need lifelong education, but, again, the money will have to be found for that. I welcome the strong points that my hon. Friend is making.

Mr. Illsley: My right hon. Friend has made his point eloquently. He is right to suggest that the funding must be protected and ring-fenced. He knows as well as most South Yorkshire MPs that the pressures on local government funding are constant. Probably next week, we will see a tight local authority settlement, and we need to ensure that the money for our colleges is protected.

So what about the funding for our colleges? Will it be administered by the local authorities? Will colleges receive separate funding? Will it still be distributed through the learning and skills councils? What will be the future of the learning and skills councils from now on? What role will they play in college funding? Since the days of the training and enterprise councils and the advent of the learning and skills councils, they have changed out of all recognition and been amalgamated and reformed. I hope that my hon. Friend the Minister will comment on that, either today or in writing.

Mr. Clapham: As my hon. Friend will be aware, the annual statement of priorities from the local learning and skills council also refers to four special institutions—the four residential colleges. One of those colleges, Northern college, is in my constituency. One worry at Northern college about the funding proposed by the learning and skills council is that the curricula will be lessened rather than widened. For example, the college wants social sciences and humanities to be broadened, so that adult returners can go forward in their learning future. If the curricula are not broadened, the only option is to take GCSEs, which are not necessarily the right base for new learners. Does my hon. Friend agree that we need to consider the curricula for those four institutions? Does he also agree that there is a need to review the funding for adult learners, whose contribution to the regeneration of South Yorkshire is so important?

Mr. Illsley: Yes, I support my hon. Friend on that. He mentions Northern college, and we would do well to remember that we recently celebrated the Ofsted report on the college, which was one of the few to be rated as outstanding. The report was excellent and showed just how good a service the college provides. He refers to the foundation learning tier and the lack of a qualification to bridge the provision between further and higher education for adult returners. I hope that the Minister can say a little about whether the curriculum can be adjusted to provide a suitable qualification or subject for study that can provide that link into higher education for adult learners. I am grateful to my hon. Friend for raising that matter.

Let me return to the idea of funding through local authorities for the 14-to-19 agenda and for our colleges. If the funding is not protected and the colleges begin to receive less funding, that will have a knock-on effect on the idea of the difference between vocational diplomas and academic qualifications. If the funding is not put in place, the vocational path will still be considered as second class to an academic career based purely on GCSEs, A-levels and so on. I hope that we will not allow that to happen and will bolster the idea of vocational training, which is so necessary.

In the debate on 13 November, the Secretary of State for Children, Schools and Families responded to a point raised by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), who referred to the gap in funding between our schools and our sixth form colleges. The gap was 12 per cent., with funding for colleges lagging behind that for schools. The gap needs to be closed, rather than widened, to deal with the disparity in funding.

As I have mentioned, it will be interesting to know what the future holds for the learning and skills councils and what their role will be in the new system. Another point, which follows on from what my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) said about residential colleges, concerns the idea of commissioning from the learning and skills councils. In the past, the learning and skills councils have commissioned tenders from large institutions. Northern college has made the point that it is a small college but a quality provider, as can be seen from its recent Ofsted report, but it is concerned that it will miss out if the learning and skills council continues to commission from large providers and does not allow for secondary commissioning from smaller institutions, such as Northern college. Will the Minister comment on that? Can he reassure Northern college that the tendering and commissioning processes will not exclude it?

The Association of Colleges, which provided a briefing for hon. Members for the meeting with South Yorkshire principals and for today's debate, has suggested a single Government Department for those aged 14 to 19. In fact, it suggests that a single Department should cover those aged from nought to 19. At the moment, we have a division between the Department for Innovation, Universities and Skills and the Department for Children, Schools and Families.

The Association of Colleges commented:

"It is important for one Government Department to be solely responsible for all aspects"

of education for those up to the age of 19. It makes the point that many people do not recognise the age-related boundaries, stating:

"The education and training offered pre-19 is considerably different from that offered post-19 and this could potentially threaten the efforts to open up basic skills routes through to level 2."

The association argues in favour of

"A single national funding formula for 16-19 education regardless of...institution or location".

That is what we have just been discussing. It also argues for

"No increase in bureaucracy as a result of working to two funding regimes",

and for colleges

"to be able to decide their own responses to Government policy, including decisions on courses, pay etc."

The association also stated:

"Cross-boundary student intake is not unusual for colleges and could result in some logistical confusion about funding for 16-19 education at local authority level."

Those are just some of the issues raised by the association. They are relevant not only to South Yorkshire but across the country.

The Government want to increase participation in skills and training by raising the age for participation in schools, training and education to 18. That has been broadly welcomed by most commentators, but there are problems, some of which were referred to during the debate on the Queen's Speech. We have to ensure that we use the resources that we have to intervene at the right point in a student's life. The point was made during that debate that keeping someone at school for an extra year or two in a situation that they are unhappy with or do not like will not address the problem. If the problem is that kids are reaching 16 without basic numeracy and literacy skills, we should intervene earlier in their school career.

In Barnsley, Northern college has designed a qualification that extends to the age of 17, because it has found that young people in Barnsley will stay on from 16 to 17, taking advantage of the education maintenance allowance, and then enter employment at 17. However, it is worried that it cannot hold on to young people from 17 to 18. Some 8 per cent. of young people in Barnsley are NEETs—the lowest ever level—which the college is pleased with. To achieve that figure, it has worked hard with local schools, which it is essential that we do, because they must take some responsibility as well, and it hopes to reduce the figure even further.

The Secretary of State has referred to various structures that we will use to ensure that, by 2013, every young person is in education or training. They include the expansion of the apprenticeship scheme—we hope, to 500,000—the provision of proper advice and guidance to young people and the continuation of the education maintenance allowances, which have been a huge success in my constituency. Barnsley has the highest take-up in the country, which has done a great deal to improve out post-16 education, which a few years ago had the lowest participation rate in the country. I hope that that programme will continue.

The need for advice and guidance was stressed during the debate on the Queen's Speech. Advice from the Association of Colleges has reinforced the idea that, for the national roll-out of the diploma to be successful, advice and guidance to 14 and 16-year-olds, which is usually provided in schools, requires greater independence. It suggested that local authorities should have a greater role, which was echoed during the Queen's Speech debate. Also during that debate, my right hon. Friend the Member for Oxford, East (Mr. Smith) made great play of an organisation called Skill Force, although I do not think that it operates in my area.

Mr. Clapham: An enormous effort has been made to regenerate the local economy in Barnsley, but it has no large firms, only small ones, which it is difficult to get to engage with colleges. Does my hon. Friend agree that greater flexibility is required in the provision of advice in towns such as Barnsley, to create an interface between those small businesses and colleges? That would put the authority in a much better position to provide careers advice.

Mr. Illsley: My hon. Friend anticipates my next point about apprenticeships, where the same point applies. Not only the Association of Colleges, but those in areas such as ours are concerned that there is not a sufficient number of large companies to provide the number of apprenticeships needed. The Government have set a target of 500,000 new apprenticeships—a great aspiration—but the worry is that our industrial base, with so many traditional large industries having been eroded over so many years, does not have enough companies able to provide those apprenticeships. The fear is that we will lose out. He is right therefore in saying that we need flexibility to take advantage of the provision of such advice.

We must bear in mind—I realise that this is not relevant to further education provision—that some of our industries have been, and will be, affected by environmental taxation, such as the climate change levy. Further pressures from climate change and environmental taxation will affect areas such as mine and our remaining industrial base.

Diplomas are also relevant to the point that my hon. Friend has just made, and although they are welcome, I hope that they will not become second-class qualifications in the vocational world. Advice must be given to employers, because they need to understand that the diploma is a qualification of good standing. They need to realise the relevance of diplomas and to accept them as qualifications. Barnsley college has expressed this concern:

"Employers are unclear about the split in the funding and the way it will work. A very important aspect is that it is already difficult to get employers involvement in and understanding of the importance of the diplomas to vocational education and ultimately delivering the skills the employers are looking for. The government bases its claims on how the multi nationals respond. Few areas have these and there are none in Barnsley. The split between the departments simply reinforces for the employers that diplomas have nothing to do with the skills agenda."

In South Yorkshire, we welcome the Government's proposals on the post-16 agenda announced in the Commons and the airtime that they have received, and we want them to succeed and to benefit our areas. We want the people of South Yorkshire to benefit from the raising of the training age, from the apprenticeships and diplomas and from the provision of vocational education. Above all, we want the Government to ensure that those new structures will work, that they are copper-bottomed and that they will be adequately funded.

9.57 am

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I congratulate my hon. Friend the Member for Barnsley, Central (Mr. Illsley) on securing this debate. My constituency is served by three colleges in South Yorkshire: two big ones—Barnsley and Doncaster colleges—and a smaller one, Dearne Valley college, which is the closest to my constituency. It is only half a mile across the River Dearne in the constituency of my

[Jeff Ennis]

hon. Friend the Minister for Local Government. It acts as a good case study of how we need to fine tune the further education machine.

It is important to understand the origins of Dearne Valley college. In the early 1990s, the previous Conservative Government tried to reinvigorate deprived communities through their city challenge initiative. At that time, Barnsley council was the only local authority in the country to win two city challenges. As deputy leader of the council, I was proud of that because it showed that we were willing to work with any Government for the betterment of our constituents.

Ours was a joint city challenge between Barnsley council, Rotherham council and Doncaster council, and our vision—our flagship project—was the building of a university of the coalfields in the Dearne valley, because we could see the importance of higher education to the future of those communities. None of the coalfield communities in South Yorkshire had access to higher education provision at that time—the only place in South Yorkshire that did was Sheffield, and we wanted to correct that. However, we could not get the funding package together to deliver that university. I am not saying that we had to settle for second best, however, because that was not the case.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Does my hon. Friend recall that, in the initial stages of the development of Rockingham college, the location of the institution was an old bin depot in Wath upon Dearne? It is thanks to a Labour Government that we got a brand new college building on the site of the old Manvers pit. Is that not the case?

Jeff Ennis: I thank my hon. Friend for that comment. It shows the lengths that we will go to, as both a Labour Government and a local Labour government, to pursue recycling.

Mr. Clapham: As my hon. Friend will be aware, yesterday the Housing and Regeneration Bill had its Second Reading. As he will know, the new agency will incorporate English Partnerships, which played an important part in the regeneration of coalfield communities. Does he share my fear that the new agency may focus on the south-east rather than on the coalfield communities, as was the case previously? It is necessary to ensure that Ministers realise that the coalfield communities are still dependent on a great deal of regeneration and therefore we need the focus to be retained on those communities.

Jeff Ennis: My hon. Friend, who is chairman of the all-party group on coalfield communities, is doing a magnificent job on that issue and I could not endorse his words any more strongly.

Mr. Illsley: The one thing I did not mention about South Yorkshire colleges was the recent innovation whereby we now have University Centre Barnsley, due to the collaboration between the university of Huddersfield and Barnsley college, which is providing higher education within the Barnsley area after so many years without it.

Jeff Ennis: Obviously, I agree with every word that my hon. Friend has said. The same thing applies to the Doncaster end of my constituency, where Doncaster college has gone into collaboration with the university of Hull.

I would like to make a little progress now and get back to the Dearne Valley college case study. In the strategic area review conducted by the Learning and Skills Council, Dearne valley was recognised as an area of particular significance for planning. The review said:

"There is significant growth in Employment and Housing in the area, we feel that a local vocational Further Education College has much to contribute in providing further enhancement to the provision offered by Barnsley, Doncaster and Rotherham Colleges."

Sheffield city region has established a special board to consider the Dearne valley. The Minister for Local Government, in whose Wentworth constituency the college is situated, and who unfortunately is not here this morning, has been selected to chair the first meeting of that group, which will take place this Friday, 30 November.

We have already mentioned the changes to the Government machine, as it were, and the separation of the two Departments. Dearne Valley college has some concerns about the implications of education funding for 16 to 19-year-olds being accessed through three local authorities. That means that the college must work in collaboration with Barnsley, Rotherham and Doncaster authorities. It is vital to emphasise the continuing importance of informed choice in driving the system for those aged 16 to 18 and in providing reassurance that funding will follow the learner, regardless of local authority boundaries. Although it is technically in Rotherham, almost two thirds of the students at Dearne Valley college come from Barnsley and Doncaster, and the vast majority of those students come from my part of the Dearne valley.

Moving on to the agenda for those aged 14 to 19, DVC is working on a number of collaborative initiatives related to diploma development. Diploma submission work is also taking place based on a DVC approach. Collaboration is essential if diplomas are to be successful. However, it is costly in terms of staff time in the preparation phase and there will be significant additional delivery costs: for example, the costs of travel where students move between education providers. I think that diplomas are the way forward and I am a big supporter of their introduction. They will be important to the future of South Yorkshire. Their one really big strength is the greater collaboration that is involved, both between colleges and secondary schools and between different secondary schools, to ensure that we have a network of diploma provision in all our areas. That is a strength rather than a weakness.

DVC is the lead college for Yorkshire and the Humber on the active participation in sports strand of the national higher education framework, to maximise the opportunities that will arise from the 2012 Olympics. I understand that there will be a national strategy for physical education in schools from the Department for Children, Schools and Families. Universities seem to be well resourced to bring sport and fitness to the fore, but in FE there is no funding to support any entitlement to keep young people active. Is the Minister aware of that problem and, if so, will he raise it with his colleagues at the Department for Culture, Media and Sport to ensure that it is rectified?

On adult provision, nationally, we have moved towards train to gain, but that scheme remains a contentious issue in South Yorkshire. The South Yorkshire colleges want to play their part in the delivery of train to gain. However, barriers will continue to exist if only full qualifications can be funded when individuals and employers want bite-sized chunks. Train to gain needs to be more flexible to meet the needs of both students and, just as importantly, businesses, particularly small and medium-sized enterprises. That was the point that my hon. Friend the Member for Barnsley, Central made in his submission.

Mr. Illsley: Before my hon. Friend leaves the subject of train to gain, I wonder whether he would like to comment on the situation that arose in the summer of 2006 in South Yorkshire. At that time, a consortium of six colleges in the area bid for 1,600 places on the train to gain scheme, but they were allocated only 695 places, having been led to believe that they would achieve the full 1,600 places. Obviously, they lost out in the funding for that scheme.

Jeff Ennis: My hon. Friend makes a very good point. At that time, we were faced with a mini-crisis in funding for the colleges in South Yorkshire. We made representations to the Ministers at the time and hopefully that situation will not be repeated.

I know that we are still waiting for details of next year's funding. However, the rate of standard learner numbers that we hear suggested would have a detrimental effect on college budgets and the ability of colleges to meet the demands in relation to students aged 16 to 19, when the emphasis is on those in the NEET category—those not in education, employment or training. There is also a lack of employers willing to take on apprentices, which was another point made by my hon. Friend.

There is also an issue about students with learning difficulties and disabilities. If they are 19-plus when they embark on a level 1 programme, although we can waive their fees, they are too old for education maintenance allowance and they do not qualify for the adult learning grant, as their programme is not a level 2 programme. That particular problem links with the general problem of 19 being something of an artificial barrier in lifelong learning, and I would like the Minister to say more about that issue later. I know that the issue overlaps the two Departments, the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills, but I would still like to hear his comments.

As we are looking at FE, it would be remiss of me not to mention one of the jewels in our crown, which my hon. Friend the Member for Barnsley, West and Penistone mentioned: Northern college, which is in his constituency. It is an outstanding college that achieved grade 1 inspection levels from Ofsted in all categories last November.

Northern college is often referred to as the Ruskin college of the north. I am afraid that I do not refer to it as that; I refer to Ruskin college as the Northern college of the south. Northern college has brought three areas of concern to our attention as local MPs. My hon. Friend the Member for Barnsley, West and Penistone made the point about the problem with the current foundation learning tier and how that disadvantages adult learners in particular. The college states:

> "The proposals for the Foundation tier do not include any broad based Humanities/Social Science curricula which would support this progression, and there is nothing available at level 2 outside of GCSEs which are not appropriate for adult returners. To put it crudely we are in danger of perpetuating a system in which the middle classes can access education, but the working classes (particularly those returning as adults) can only access skills training. For these adults to be able to progress to degree level study must be as valuable to the economy of the UK as those progressing to level 4 skills training."

My hon. Friend made the second point that Northern college has drawn to our attention: that the LSC prefers to deal with big providers rather than the smaller ones such as Northern college. I shall not go into too much detail on that, because of time constraints.

The third point that the college made to us, on which I will elaborate, is that it has noticed that the statement of priorities calls for a review of, among others, the special designated institutions, of which it is one. It states:

> "The LSC is just in the process of completing a detailed review of the four residential colleges which includes a value for money study and it is not clear what a subsequent review will add."

That is my point. The college is outstanding in every inspection category and has already gone through one review, but we seem to be carrying out another review that is not particularly relevant.

That leads me nicely to another major concern that I have: the disparity in funding support currently available to adult learners in FE and HE. It underlines the point that FE is often considered the Cinderella part of the education service. Currently, adult learners in higher education have access to approximately £4.5 billion of support via grants, loans, bursaries and child care. That covers approximately 1.5 million adult students, taking up roughly 1.1 million full-time equivalent places in universities. Yet adult learners in further education have access to less than £500 million of support, catering for 3 million students or 630,000 full-time equivalent places. Obviously there are far more part-time adult students in FE than in HE. I know that the comprehensive spending review for the next three years has already happened, but I hope that we can revisit the matter in the short term rather than hide behind that.

As has been said, diplomas have the potential to transform our education system, particularly to the benefit of places such as South Yorkshire, but all stakeholders need to get on board. I am thinking of colleges, schools, students, parents and employers, particularly SMEs.

Mr. Clapham: Does my hon. Friend agree that, when teaching diplomas, we need to encourage enterprise among students? He will have seen the figure provided in the briefing from the Association of Colleges: if we could get one in every 300 students to start their own business, it would greatly help the regeneration of the entire South Yorkshire economy. Does he also agree that there is a need to ensure that the diplomas have a currency that is accepted universally? As he knows, our focus on education in rebuilding and renewing the local economy in Barnsley has added to social mobility. Young people from Barnsley are travelling to work in Sheffield, Bradford, Huddersfield, Leeds and Manchester, and a real stimulus to that is that the qualifications that they achieve are as good as qualifications anywhere. We need to ensure that diplomas have universal currency.

Jeff Ennis: My hon. Friend makes an extremely forceful and valid point. Qualifications are currency in the job market, and that is what we must achieve with the diplomas. We must ensure that employers consider the currency of a diploma just as they do that of more formal academic qualifications. That is a key strand that we need to deliver as a Government; we must try to get that message over, particularly to SMEs.

Apprenticeships are popular in South Yorkshire. For example, in Barnsley in the past four years there has been a 167 per cent. growth in the number of apprenticeships. In 2002, there were 211 completed apprenticeships in Barnsley; last year there were 564. In Doncaster there has been a 147 per cent. growth in the same time frame, from 356 completed apprenticeships in 2002 to 830 last year. I support fully the drive to increase opportunities and, again, we must target SMEs to become engaged. I keep repeating that opinion, and I know that the Minister shares it. We have an over-reliance in South Yorkshire on very few large companies in the private sector and on the public sector. We need to engage more with SMEs.

I have flagged up a number of concerns that have been passed on to me by colleges in my area. Having said that, there is no doubt that the Government have done many things to improve further education, particularly lifelong learning, since they came to power. I hope that the Minister will accept that I make my points to improve the current model so that it can benefit many of my constituents who are currently disadvantaged, such as adult learners. They have been failed by the education system in the past and must not be in the future.

Frank Cook (in the Chair): I remind the House, to save any embarrassment later, that the Chairman is required to call the first of the three Members who are to make winding-up speeches 30 minutes before the termination of the debate. We therefore have only 13 minutes left before I shall do so.

10.17 am

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I congratulate my hon. Friend the Member for Barnsley, Central (Mr. Illsley) on securing this important debate. He went through the background to the debate in some detail, including the recent economic development of South Yorkshire, and I shall not repeat the statistics that he gave. Unemployment in the area has reduced significantly but remains slightly higher than the national average—6.5 per cent. for South Yorkshire compared with 5.3 per cent. for England as whole. South Yorkshire traditionally enjoyed higher employment rates than the national average in the days of coal and steel, so we still have some way to go to rebuild the prosperity that we enjoyed in the past.

To some extent, those figures can be related to education maintenance allowance take-up in South Yorkshire. Barnsley has enjoyed a good take-up of the allowance but in Sheffield, for some reason, it is much lower and brings the South Yorkshire figure down. I am not proud to say that. The increase in take-up in Sheffield in 2006-07 was only 28.6 per cent., which brings the average increase in South Yorkshire down to 43 per cent. In England as a whole, it was 76.9 per cent. That statistic tells me something about what we need to do to build further education in South Yorkshire.

There are two parts to the problem: low aspiration, which is reflected in the higher level of young people not in education, employment or training—I hate the term NEETs, so I shall try not to use it—and Government structures and regulations that tend not to work to the benefit of further education. Those are the two points that we need to debate. Further education has a critical role to play in developing the post-16 staying-on rate, and in ensuring that we meet the economic and skills needs of this country and of South Yorkshire. Why is that the case? I have a firmly held view, based on my 10 years of experience working in further education, that young people—like anybody else—have differing needs. Some benefit from a sixth-form environment, but quite a lot benefit from the independent learning environment offered in further education. They need not to be spoon-fed but to be able to explore and learn in their own manner. In my view, many young people are ready and able to do that at a much earlier age than we have ever assumed before, which is why I welcome the involvement of FE in pre-16 education.

I want to see an education system that is increasingly geared toward the individuality of young people and that offers a mixed package, so that they can learn in a sheltered school environment and enjoy the independent learning environment of the local college. In most case, many young people would benefit from that mix. Therefore, colleges have a critical role to play, and in South Yorkshire they already cater for 61 per cent. of post-16 education. The importance of the colleges is suggested in the range of provision in South Yorkshire. My hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) mentioned Dearne Valley college. I worked at that college, which is why I mentioned its rebuild. I remember very well the old bin depot and was pleased to get out of it and into the brand new building. I will always be grateful to the Government for providing us with those wonderful new buildings. Dearne Valley college is a centre of vocational excellence for sports and fitness. One of South Yorkshire's economic clusters is the development of sports, the fitness industry and sports medicine via the local universities. Dearne Valley needs to be embedded much more successfully in that economic cluster—the development of the sports economy of South Yorkshire—but it needs support to do that. Given the location of the college and the poor state of local transport because of deregulation in 1986, which at last we are doing something about, such support may involve helping some students to get to the college.

Northern college, which has been mentioned frequently, is a great institution that serves the whole of South Yorkshire and beyond; it is the Ruskin college of the north. The fact that we have the Ruskin collection in Sheffield underlines the point that was made earlier in that regard. Sheffield college, which is the biggest college in South Yorkshire, has a number of areas of excellence, not the least of which is catering. It has the most tremendous catering department that I have ever seen. It is good that I entrusted my wedding reception to the training department at Sheffield college, and I never regretted it for a moment. I got a much better deal from the college than I ever would have from any of the local hotels and institutions. It is an absolutely superb facility for young people in Sheffield. Many of our nationally regarded chefs come from the catering department of Sheffield college.

Sheffield college is also investing heavily in refurbishing its provision of engineering and construction, which is critical to the future of South Yorkshire. This is another of the economic clusters that I mentioned earlier and without it, South Yorkshire would grind to a halt. I am sure that the same is true across the piece in the other colleges in the area.

We need more support to encourage and incentivise young people to stay on after 16. That means that we must address the issue of why we have a lower take-up of education maintenance allowances. The Government have a role to play in that, and I would welcome the Minister's comments.

Independent advice and guidance has not been mentioned so far in this debate, but it is a critical issue. As a former tutor, it is my experience that IAG is generally of a very poor quality in both schools and colleges, but particularly in colleges, and is underfunded. I stress the word independent—IAG has to be independent. If we want diplomas to work and to break down the divide between the academic and the vocational, IAG is absolutely critical in delivering that. If we do not fund it properly and ensure that it is embedded throughout the system, all the effort, funding and investment that we are putting into diplomas and meeting the skills agenda will fail. Many young people get badly placed in colleges and sixth forms, which is why we have the big drop-out rates at 17. The participation rate goes down not at 16 but at 17, when young people find that they are in the wrong place for their post-16 training and education.

We need more of an input from employers to deliver the number of apprenticeships that we need. Employers say a lot about the skills needs of the younger generation, but they, too, have to deliver. The Government have a bigger role to play, as well. I know that they are trying hard, but we really must crack this. Whether by regulation or more levies—I would not like to see us go down that route—we must get employers engaged in apprenticeships.

Free school meals are not offered to post-16 students in colleges, but they are to sixth-form students in schools. That inequity must be sorted out. It is totally unbelievable that we think it necessary to feed a child of 16 in school because they come from a low-wage background, but not somebody who is in college. The likelihood is that the poorer kids are far more likely to be in college than in the local sixth form. What on earth are we doing? My long-term ambition would be to feed all young people and children in schools.

Jeff Ennis: As in Finland.

Ms Smith: In Finland, all children get free school meals. That may be a bit radical for the present times, but we could easily sort out the glaring inequity whereby kids in college do not get fed and kids in schools do. What on earth are we doing here?

Much has been said by my hon. Friends about the funding of colleges, so I will go through it fairly quickly. The point made about local authority funding and ring-fencing is a good one. Kids in South Yorkshire do not recognise the boundaries, so we need to ensure that the lines are straight and that the money meant for a fee goes to a fee when it goes through local authorities.

Other hon. Members mentioned Northern college and the need for a curriculum that enables adults to develop academically, as well as vocationally. Many of the skills needs in South Yorkshire are fairly specific to the area. Sheffield has just been awarded protected status for all locally made products, which are made by highly skilled workers. The term "made in Sheffield" is protected and cannot be used unless the product has been made in Sheffield. The only other city to enjoy that status is Windsor. We are very proud of that award, which is really important to us given our background in producing high-class cutlery, steels and so on. However, it means that the skills needs of the city are fairly special. Local further education has to be able to develop regionally. There should be locally accredited courses specifically designed to meet the needs of the area.

We have a cultural industries quarter in Sheffield that offers specialised development in the fields of film, television, art and so on. South Yorkshire has never been about just coal and steel. It has other very fine traditions, so please give FE the right to develop the courses that we need to deliver what South Yorkshire needs.

The situation is the same across the country—this is not just about South Yorkshire. If we can trust further education to be rigorous and absolutely certain about its quality and control, and if we can give colleges the chance to offer and accredit their own degrees, why on earth can we not give them the right to accredit locally and regionally their own courses at that level?

10.30 am

Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship, Mr. Cook. I feel slightly like a fish out of water this morning. It is my first outing on the Front Bench—I am even newer than the hon. Member for Reading, East (Mr. Wilson)—and also, I am a Welsh Member taking part in a debate that, although not just about England, is strongly regional. However, there are important lessons to be learned, and some of the messages that we have heard are pertinent to Wales, as well. People in the south Wales coalfields in particular will be listening to them, and I look forward to taking them back to Wales.

In that context, I pay tribute to the hon. Member for Barnsley, Central (Mr. Illsley) for raising this important debate about matters that affect his constituents and concerns that have been raised by many of his South Yorkshire colleagues. It is the timeliest debate possible, given the agenda on which we are now embarked.

I also want to pay tribute to the work in South Yorkshire of Higher Futures, the lifelong learning network, which seeks to combat the malaise of different learning providers and bring them together under one umbrella to provide fresh opportunities for the progression of vocational work-based learning. The network supports vocational education and lifelong learning, and, above all else, re-engagement and not just engagement. We have heard much about young people, but if the challenges of the Leitch report are to be seriously recognised, we must increase the participation of all groups in society, including young people, people who are making a change in course and the long-term unemployed. They need to be re-engaged, as well.

Liberal Democrats can agree with much of what has been said this morning, at least by Labour Back Benchers. It has been a refreshing debate. The hon. Member for Barnsley, Central set the scene for why the subject is so

[Mark Williams]

important, not least the insufficient levels of literacy and numeracy. I used to be a teacher at primary level. If the system fails at primary level, there will be failures further along the line. It is essential that we address that.

I spoke to the principal of Barnsley college, who is one of the hon. Gentleman's constituents, about funding. A real concern of hers is that if the lifelong learning networks agenda is to be pursued, there must be a seamless transition, which will require work by both the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills. I liked what I heard about individualised learning. She used that expression as well, and said that we need to develop individual pathways to learning, which would involve money following the student through the education system.

There is an obvious need to provide a greater focus on basic skills. That is what employers tell us, as do students. Basic skills are the building blocks of any skills-based economy. The hon. Member for Barnsley, East and Mexborough (Jeff Ennis) discussed the disparity between middle-class and working-class participation. I have some figures on higher education. Over the past 15 years, the proportion of students in higher education with unskilled, manual worker parents has increased from 11 to 19 per cent. That is a laudable increase, but in the context of the increase in participation of those whose parents have professional occupations—from 35 to 50 per cent.—we still have a huge amount of work to do on engagement, and that means advice. We heard a great deal about advice from the hon. Member for Sheffield, Hillsborough (Ms Smith). We must address that matter and the role of further education institutions' outreach work, which involves speaking directly with people in local schools.

It strikes me that the experience of hon. Members in their own constituencies is that the structures are in place. The local learning and skills council, under the leadership of Sheffield Hallam university, has had resources of £3.5 million guaranteed up to 2009. That is to be welcomed, but the continuing perception that further education is the Cinderella of the sector needs to be addressed. We heard that the gap in funding between schools and colleges is some 12 per cent. There are also concerns about commissioning from small institutions that really need to be looked at.

On 16 November, the Government announced their UK-wide initiative on new places for training, including some 120,000 new apprenticeships for the under-25s and 30,000 places for older workers. There may be some dispute over the figures, but as was said earlier, I hope that the Minister will discuss training, which will be workplace training, and the concerns about the capacity of local economies to offer work-based training. We heard about the lack of large enterprises in South Yorkshire. In my area, rural Wales, it is out of the question that large-scale employers will participate in such schemes, as the economy of the area is based on small and medium-sized enterprises. I will be interested to hear what the Minister has to say on that issue and on the dialogue that he is having with employers.

Looking back a couple of years, the goals of the lifelong learning network have been ambitious: 6,000 learners undertaking vocational and work-based learning across the network, and a 5 per cent. increase in learners accessing higher education. That is laudable and encouraging. I know that many of the targets have been met, but I fear a too rigid, too academic approach at the secondary level. Many young people have been switched off education. Again, if we fail at the primary level, we will fail further along the line to encourage people to pursue further education. We heard about NEETs—people who are not in education, employment or training—and the extent of the problem. Like other speakers, I do not like the expression.

The Tomlinson report advocated a wider diploma approach to secondary education that would embrace both academic and practical education. Liberal Democrats have advocated a credit-based system in which successful completion of courses should be rewarded with credits that can be accumulated and put toward a particular level of diploma. Pupils and young people need to be encouraged to mix and match vocational and academic courses. To most of us, that is the real world—that is how people function. We need a structure to support that mix-and-match approach and emphasis on workplace training. It seems to be working well in South Yorkshire, if insufficiently so—there is a mountain to climb in respect of such matters—but it is an approach that we need to continue.

The mismatch that we heard about regarding adult education is a real concern. The comparison between £4.5 billion and £0.5 billion is a serious problem. The message from this debate is that although the sector feels very much like the Cinderella of the service, we appreciate it and understand that it makes a fundamental contribution, and it is up to the Government and associated structures to provide resources.

10.38 am

Mr. Rob Wilson (Reading, East) (Con): I congratulate the hon. Member for Barnsley, Central (Mr. Illsley) on securing this debate, and it is a pleasure to serve under your chairmanship, Mr. Cook.

My hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) apologises that he cannot be here this morning. He had to pull out at late notice, unfortunately. Obviously, I was extremely pleased to be called in at the last minute to discuss someone else's brief, but the debate gives me an opportunity to range across the further education sector. I just hope that I do not get my Front-Bench colleague into trouble by ranging too far.

Many of the challenges of further education have already been expertly outlined by the hon. Member for Barnsley, Central in his thoughtful speech. I do not wish to keep Members for too long, but I wish to make several points that I hope will gain general agreement.

My first act, though, must be to congratulate our further education institutions for doing such an excellent job. We have heard how impressive FE institutions are, and hon. Members have mentioned Northern college, Barnsley college and Rotherham college of arts and technology in South Yorkshire. I am pleased that the hon. Member for Sheffield, Hillsborough (Ms Smith) is making use of her excellent catering college. That shows even MPs how vital a role local further education colleges play in communities throughout the country. They fill a crucial gap between secondary and higher

education, but too often their achievements are overlooked and their problems ignored. FE institutions are in many ways the forgotten or, as hon. Members have said, the Cinderella sector of our education system.

Hon. Members have spoken about the need for better access to high-quality vocational education and the worrying shortfall in fundamental skills, as the Leitch report made clear. As we seek solutions to improve our skills base in South Yorkshire and elsewhere, our further education institutions will, and should, play a pivotal role. Perhaps I can use the time available to me this morning to celebrate their achievements in South Yorkshire and elsewhere and to articulate a few of the challenges that face them.

One of the most attractive features of further education institutions is that they represent a much wider social mix than, for example, universities. Despite attempts to widen university participation in recent years, the social mix has remained stubbornly narrow. Recent statistics show that increases in admissions to universities from those from disadvantaged backgrounds have changed only marginally over the past decade. There is no doubt that access has been deepened more than widened, but there is debate about how far it has been widened.

I do not need to go to South Yorkshire to demonstrate how FE institutions differ markedly in social composition. Reading college in my constituency has a state-of-the-art design centre and a sixth form academy, and it teaches everything from GCSEs to PhDs. Such a wide range of disciplines naturally pulls in much wider social groups, which is why FE institutions can and should be harnessed to fill the skills gaps in local economies, such as South Yorkshire. The hon. Member for Sheffield, Hillsborough made a valid point about free school meals and their availability to post-16s in schools, but not in further education colleges.

FE institutions tend to be rooted in and reflective of the local community. There is a sense of community ownership of local FE colleges, which also exists in schools but is less prevalent in universities. That was clear from the way in which hon. Members spoke about their local FE colleges this morning. Hon. Members raised a wide range of further education issues from funding differences between schools and colleges to the LSC's role.

The hon. Member for Barnsley, Central rightly raised to the important issue of those who are not in education, employment or training—NEETs—in the context of increasing the school leaving age. I think that he said that NEETs in his constituency stood at about 8 per cent. Many of us across the political divide believe that compulsion is not helpful. During the debate on the Queen's Speech, the right hon. Member for Oxford, East (Mr. Smith) described young people as conscripts and said that there is little point in forcing hostile 16 and 17-year-olds into occasional attendance at schools or colleges if they do not want to be there. I agree, and the Government may need to think again about compulsion, particularly as many young people in Barnsley find full-time work at the age of 17, as the hon. Member for Barnsley, Central said.

I have always been of the view that carrot is more attractive than stick to a young person. Forcing teenagers to do something that they do not want to do will cause immediate rebellion, and encouraging young people to stay in education and training is more attractive. The hon. Gentleman highlighted the success of education maintenance allowances in his area, which has the highest number in the country. Clearly, that carrot has worked for young people in Barnsley, but I am sorry to hear that it has not worked as well in Sheffield, Hillsborough.

I note that the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) used the encouragement of Government regeneration money on two occasions to encourage young people into education in a coalfield area. Dearne Valley college is making a real contribution to the Barnsley area, and the hon. Gentleman made his point extremely well in using the college as a case study running through his thoughtful comments.

There are many ways in which to offer better and more attractive opportunities to young people, but we must have real apprenticeships that offer work-related experience. The Government boast about increases in the number of apprenticeships, but the LSC has confirmed that about 50 per cent. fail to complete them. At present, apprenticeships are delivered by training providers, only 20 per cent. of which are employers. So there are no guarantees of substantial employer involvement.

Should not all apprenticeships involve systematic workplace training under the guidance of an experienced mentor? Would not that be more attractive to young people who currently opt out of the system altogether? The hon. Member for Barnsley, West and Penistone (Mr. Clapham) spoke about the lack of large companies offering apprenticeships in his constituency. It would be worth his while looking at how the group trade associations can make it possible to take on apprentices.

The train to gain scheme has not been a success for most young people. It has been heavily promoted, but the results have been extremely disappointing. The hon. Member for Barnsley, East and Mexborough made that point. Targets for learner numbers have been missed in every English region, including Yorkshire, and only 15 per cent. of learners have completed their training. My concern is that the train to gain scheme is over-bureaucratic, and it would perform much better if the brokers who act as intermediaries were removed. Indeed, the Select Committee on Education and Skills, on which I served, concluded that brokers

"may be succeeding only in adding an extra, unwelcome, layer of bureaucracy to the process."

The fact is that most FE colleges already have well-established links with local employers and can recruit their own young people without the support of a broker.

There is also too much bureaucracy from the LSC. Further education is at its best when it serves the local community and local business together. I have outlined the problems of the train to gain scheme, but further education also suffers from too much regulation. For example, why is an FE college that wants to be flexible and responsive to local business required to seek approval for its courses from the LSC? Obtaining approval can sometimes take a long time according to those to whom I have spoken in the FE sector. FE institutions are looking for less centralisation and more autonomy in both funding and operation. That fits perfectly with the Government's report by Sir Andrew Foster on further education, which called for

"less centralisation and moves towards greater self-regulation."

[Mr. Rob Wilson]

Time is pressing, so I shall bring my comments to a conclusion. We have had a useful debate with a number of excellent contributions. The broad thrust of what hon. Members have said is that, if we are to fulfil our commitment to improve skills, support lifelong learning and strengthen vocational education, we must support our further education institutions. The Government's further education Bill will soon come before the House, so this is clearly the beginning of an intensive debate, rather than the end. I look forward to engaging further with hon. Members in due course.

10.48 am

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): I am pleased to be here this morning, which is my first opportunity as Skills Minister to speak in an Adjournment debate under your chairmanship, Mr. Cook. I thank my hon. Friend the Member for Barnsley, Central (Mr. Illsley) for initiating this important debate. I also thank my hon. Friends the Members for Barnsley, West and Penistone (Mr. Clapham), for Barnsley, East and Mexborough (Jeff Ennis) and for Sheffield, Hillsborough (Ms Smith), and my right hon. Friend the Member for Rotherham (Mr. MacShane), who was present earlier. I am pleased that there has been a shared commitment this morning among all parties to this important agenda.

My hon. Friends know that, over the years, great solidarity was forged in our party between MPs representing constituencies such as mine, which is very different from those in Yorkshire, but which shared the high unemployment that blighted the lives of our young people. Many of us came into the movement because of what was happening, particularly in former coal mining areas. I was therefore pleased that one of my first major visits as Skills Minister was to South Yorkshire, where I spoke to employers and providers to get a sense of what is happening on the ground. I was particularly pleased to speak to people at the Forgemasters site in the constituency of my right hon. Friend the Member for Sheffield, Central (Mr. Caborn). Just a few years ago, the business had almost gone bust, but it has now brought on apprentices, who not only work alongside much older colleagues, but provide for the future, and they are seeing the business prosper. The company is therefore leading the way and showing what more we want to see in the region.

Hon. Members will be aware that much of my Department is also based in Sheffield, while the Sector Skills Development Agency is based in Wath upon Dearne, and I have visited both. Hon. Members will therefore see that the issue is close to the Department's heart, and there is no way that it can slip off the agenda.

Not all Ministers can say this, but I hope to indicate that the spending review has been a good one for the sector. On 16 November, the Secretary of State announced the sector's funding settlement for the coming period. It was a good settlement for post-16 learning and skills and will allow us to increase investment to about £12.4 billion up to 2010-11, compared with only £6.5 billion previously. I am particularly pleased that that will allow us to increase funding for adult participation by 17 per cent. over that period.

One realises just how important such funding is when one speaks to people about their concerns in sectors of the economy where people could currently almost be fully employed without qualifications. They recognise that jobs will not always be there for people who lack qualifications and that such jobs will go overseas, and they want the Government to assist them to gain qualifications.

It is important to mention the work that our union learning reps do on the shop floor, nudging, cajoling and encouraging people in their 40s, 50s and 60s to take up opportunities to acquire basic skills and level 2 qualifications. Those reps are acting in solidarity with people and preparing them for the changing economy, and that will help us to get South Yorkshire back to a position in which employment is beyond the national average.

It is also important to mention the huge capital investment that is going into the further education sector and to recall that the Government expenditure earmarked for FE was zero in 1997—it is now just under £500 million. It is important to appreciate that further education has moved on and can probably no longer be described as the Cinderella sector, as it was when many of the working-class young people whom we particularly want to flourish were unable to get funding.

Achievement records are up by 20 per cent. Post-16 participation in FE is higher than it has ever been. The number of adult learners now totals more than 3 million a year. Some 1.8 million people have gained the skills for life qualifications that we want them to have. Unfortunately, we will not be able to read about skills for life in our newspapers, but they are about more than the capital investment that I mentioned; they are about people being able to read to their grandchildren, to apply for jobs and to have the literacy that many missed out on in schools that were previously failing.

Since 2001, 16 large-scale further education capital projects have been approved in South Yorkshire, with £241 million coming from the Learning and Skills Council's grant support. Barnsley college is benefiting from a redeveloped campus, with a new science and technology block, workshops and a sports hall.

Our continued refocusing of funding will enable us to target funding at the provision that is needed most by people in areas such as South Yorkshire. It allows us to subsidise courses, and it is important for people to recognise that there are subsidised courses in their name that offer level 2 GCSEs and national vocational qualifications and that there is a part subsidy at level 3 and A-level. People should take those courses, whether in the form of work-based learning or at local colleges.

Many colleagues have talked about the changes to the machinery of government. A letter will shortly be sent out explaining the shared principles that underpin the 16-to-19 and post-19 systems. My hon. Friend the Member for Barnsley, East and Mexborough argued for funding that follows the learner, and the provision will be transparent and accountable, focusing on quality and the learning experience. We need to ensure that there is coherent funding across the 16-to-19 and 19-plus systems and to recognise the many local authorities that can serve one college. That will be followed in the new year by wide-ranging consultation on our proposals, and I can reassure

colleges in the area that they will be consulted. We are listening to them and hearing some of their concerns, and we are determined to get things right.

It is important to recognise that funding for the 14 FE colleges and providers in South Yorkshire has increased by £5.6 million. There has been a 23 per cent. increase in adult participation in level 2 courses in South Yorkshire. Barnsley, in particular, has seen a 45 per cent. increase over the same period. South Yorkshire has also seen an increase of just under 10 per cent. in 16-to-18 FE funding. Money is therefore going in and there is progress, and we need to build on that.

On the colleges that were mentioned, we recognise the excellent quality of existing provision at Northern college. It has not been excluded from the LSC commissioning process, and the LSC is working with it to deliver provision alongside its priorities. The foundation learning tier will be rolled out, providing progression pathways at level 2. The LSC statement of priorities shows that our commitment to Northern college is sincere, and we will work with it to ensure that it benefits.

My right hon. Friend the Member for Rotherham is not in his seat, but I should also mention the great success of Rotherham college of arts and technology and Thomas Rotherham college. In that respect, I hope to visit the region shortly.

It is important to recognise the contribution that apprenticeships will make. Hon. Members are right that there has been a growth in apprenticeships, and the situation will continue to get better. We are conducting an apprenticeship review precisely so that we can bring in small and medium-sized enterprises to ensure that our young people benefit from apprenticeships. The new vocational diploma will help to improve the participation rate—the number of those staying on until 18—and ensure that young people get work-based learning. New apprenticeships, which will ensure that people can work with smaller employers as well as larger ones, will bear down on the problem that hon. Members mentioned.

Frank Cook (in the Chair): Order. We must now turn our attention to our next topic, which is the broad and very intriguing subject of welfare reform.

Welfare Reform

11 am

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I am grateful for the opportunity to have this debate and, as I am confident the Minister appreciates, my remarks will be concentrated on issues arising from this summer's Government consultation document on welfare reform, with particular reference to lone parents. It is right, I think, to begin by saying that my comments, critical though they will be, do not undermine the principles of the welfare reform and welfare to work agenda that has rightly been at the heart of Government policy in the past decade. Huge progress has been made on several fronts, both directly, in employment, and in terms of the support services that run alongside, including the overall expansion of child care. There has been a major change in attitude and effectiveness at Jobcentre Plus, and the new deal programme and the investment that went with it has been successful.

That is a necessary and important reminder of the context of the debate. Indeed, the success of those programmes and of the Government's overall economic strategy, with its emphasis on job creation, can be observed directly in the record of lone-parent employment in recent years. As the Minister knows, almost 60 per cent. of lone parents are already in employment, and the increase in lone-parent employment in the past decade, for which I have seen two figures—10 per cent. and 12 per cent.—is the largest entry into the workplace of any of the groups that are disadvantaged in the labour market. Thus we know already that the economic and welfare-based measures that have been directed at lone-parent employment have been successful.

In two ways, those measures have not been successful. First, they have not been successful in London. My thesis is that the relative failure of sustained lone-parent employment in London perversely demonstrates the very success of the policies that the Government have adopted in general to make work pay. Where work pays—outside London—lone parents have successfully entered employment. Where work, effectively, does not pay—in London—we have not been able to mirror that success. That tells us that incentives work, a point that I shall return to later. Secondly, my critique is about sustainability of employment, not job entry, and that, again, can be seen as relevant to London, where job entry rates for lone parents mirror those for the rest of the country, but job sustainability rates do not. A Government target that underpins the latest welfare reform Green Paper, based on job entry for a particular sector of the lone-parent population, is fundamentally misguided: it misses exactly the group of people, with exactly the problems, that we should be dealing with to be successful.

The welfare reform Green Paper proposes a quite significant tangential shift away from the incentives-based and support-based regime that has been successful across the board outside London. Central to that difference of approach is the migration of lone-parent claimants from the income support regime on to the jobseeker's allowance regime. That is misguided and it will prove counter-productive. It is not necessary and I am most concerned about it, as are several organisations that work with children and lone parents.

[Ms Karen Buck]

Ministers have said that they do not expect the jobseeker's allowance regime to be applied in a heavy-handed way, and I am sure that that is right. I do not doubt that it is not Ministers' intention to come down hard on lone parents seeking jobs. However, that is not consistent with the jobseeker's allowance regime, and it raises a question about how that regime can be applied consistently for all groups if Ministers say that they expect a slightly more supportive and gentler regime. How are lone parents to be taken out of a regime that is predicated on a quite severe conditionality test? We already know from recent statistics that the conditionality applied to lone parents on existing benefits has led to a sharp increase in sanctions in recent years. I understand that the number of lone parents sanctioned for failing to attend a work-focused interview has risen from 5,600 to 40,000. That is a very significant increase, but the sanctions regime under the existing benefits system is nothing like as severe as that which will apply when the relevant benefit is jobseeker's allowance. Sanctions, given the increased numbers, will have a much more deleterious effect on lone parents and, worryingly, their children.

My first question to the Minister—perhaps she will not be able to answer all the specifics of my questions, in which case I should be grateful if she wrote to me with answers—is what such a sharp rise in the number of lone parents sanctioned in recent years tells us about how the system is now operating; and what warning bells that rings about the dangers for parents of the much sharper jobseeker's allowance sanctions regime. Secondly, will the Minister clarify whether there will be two parallel systems of regulations applying to jobseeker's allowance when lone parents have migrated on to that system? Surely Jobcentre Plus staff will have to operate within a single regulations system. Does the Minister have any expectation of the likely number of sanctions under that regime?

Does the Minister accept that sanctions imposed under the jobseeker's allowance regime can mean the complete suspension of benefit, so that families with children are left with virtually no income, and nothing but the option of applying for benefit to be restored to 60 per cent. of its original level? That compares with a maximum loss of income of 20 per cent. under the income support regime. What assessment—this is at the heart of my concern about the proposals—has the Minister made of the implications for child poverty of leaving children potentially with no income?

Is the Minister aware of the impact of sanctions on associated benefits such as housing benefit? The reality of the situation that faces claimants in my constituency who lose benefit for even a week or two is that housing benefit is automatically suspended, putting the family into immediate arrears. If they are in the private rented sector or temporary accommodation, two weeks' suspension of benefit alone can leave them £1,000 in debt. In fact, in-work benefit claims for housing benefit can take weeks to process. That leaves families at risk of homelessness action and bailiffs. At the very best, the families in social housing lose their chance to bid for a transfer. I can supply the Minister with numerous cases of families who have attempted to work, even under the present system, and have got into thousands of pounds of debt, with bailiffs coming into their homes, and who, despite chronic overcrowding, have been suspended from the transfer regime because a benefits claim has left them in arrears.

Lyn Brown (West Ham) (Lab): Does my hon. Friend agree that the housing benefit regime is central to the issue of people's ability to afford to work? The high cost of housing and the cliff edge, as it were, of housing benefit prevents our constituents from gaining work and from living and working as people do in the rest of the country.

Ms Buck: I totally agree with my hon. Friend, who has worked hard on the issue of housing benefit. The centrality of housing benefit and the impact of the way in which housing benefits tapers incomes, particularly for second earners in families and for people who are trying to work full time when they are in high-rent accommodation, is worrying. It is also a puzzle, as is the fact that the Government show so little interest in pursing the "Working Futures" pilot. I do not know whether that was tested in my hon. Friend's constituency, but the system was designed for families in temporary accommodation in high-rent properties—£435 a week for Westminster council temporary accommodation—for whom improving status through work is almost impossible because of the housing benefit trap. The scheme was successfully piloted, but the Department appears to have no interest whatever in following it through. I am disappointed about that because I think that it is a good and sensible system. There are 60,000 households in London in temporary accommodation, and such a scheme could make a difference. There is a 30 per cent. difference in employment rates for people in temporary accommodation compared with families in social housing, which we need to address.

I have another set of questions about the proposed move to the new regime. The jobseeker's allowance regulations allow for claimants to be treated as available for, and actively seeking, work. Will the Minister offer greater specificity on how that will relate to the availability of suitable child care? Is she confident about the provision of services for older children—those aged between 11 and 14 or 15, such as those who are part of the Government's extended school programme? I must tell the Minister that I am not confident. The Government's overall child care programme has been hugely successful—more than double the number of places are available, but they are almost exclusively for younger children. In fact, there appears to have been a levelling off in the rate of expansion in the past year or so. The Minister will be aware that the latest estimate by the charity 4Children is that there is only one place for every 200 children in the older age group in the country as a whole. There is little chance of closing the child care availability gap between now and next year—frankly, it is impossible.

What is the Department's definition of child care for older children? There is a lack of clarity between the DWP and the Department for Children, Schools and Families regarding the definition of what extended schools are supposed to offer, yet extended schools will be at the heart of that child care provision. The extended schools offer explicitly does not offer child care. Given that extended schools are not designed to offer a service that will be at the heart of jobseeking, will the Minister say under what circumstances Jobcentre Plus staff can make

a decision on what is appropriate and secure provision for older children? Given the vagueness and informality of the extended schools offer, how will staff at Jobcentre Plus decide whether provision is right for a parent or a child?

Is the Minister confident that there will be provision for school holidays, especially short holidays such as half-terms and Easter? In my area, which includes some of the most deprived communities in the country, such provision does not exist. That raises a secondary question about the use of the child care tax credit. That is taken up by very few people, particularly in London, in high-cost areas, where people need it. It is partly a take-up issue, but it arises partly because of a mismatch between the availability and cost of child care and the wages that people earn when they enter employment.

None of what I said is a criticism of the extended schools programme, which is excellent. I would like to see far more provision for children in wrap-around school hours, but I must tell the Minister that hard-pressed schools in my constituency that deal with large numbers of children on free school dinner entitlement have received an allocation equivalent to £20 per child per year for the next year. We are not going to be able to offer an 8 o'clock to 6 o'clock package with provision for school holidays based on that level of initial investment. I hope that the Minister will address that.

If a parent leaves or is forced to leave work because a child is excluded from school or from participating in a school event or is sick, or if child care arrangements break down, will the parent automatically return to full benefit under the JSA regulations? Who will arbitrate a dispute about whether it is reasonable for someone to leave employment on the JSA regime in such circumstances? Will it be possible for a lone parent to refuse a job on the ground that appropriate child care is not available? Will the DWP or Jobcentre Plus staff ask parents to use informal child care? That is a very important question, and we need clarity on it.

Will the JSA regulations be amended to ensure that no one is required to take work that does not make them better off? The regulations do not ensure that at the moment. Will the DWP fund child care while lone parents take a jobseeker's direction? What specific arrangements are being made to help lone parents with children who have special needs? We do not have answers to those questions, and the Government timetable is short.

On alternatives, why is it not possible and, indeed, preferable, to keep lone parents on income support, which would avoid the risks I described, while making it a condition of benefit that they attend a work-focused interview? At the same time, the barriers that such people face could be assessed. After a few months, they could be moved automatically on to the new deal for lone parents and, after a few more months, they could be referred to a specialist provider. That would avoid the harshness implicit in the Jobcentre Plus regulations, and the risk of falling foul of the tougher rules on, and sanctions for, people leaving employment voluntarily.

In conclusion, work entry rates for lone parents are comparable with those for the general population. Incentives such as the tax credit do work—they are working outside London, where work pays. In places such as London, where costs are high and tax credit receipt is low, incentives are not working. We need to address that. The Department's research confirms those things, and the Government need to take a different approach based on the one that I have outlined. It is consistent with the principles on which we agree: making work pay, overcoming barriers, keeping people in touch with the workplace and developing skills. That is consistent with everything that the Government have said about welfare reform in the past, and such an approach would be good for children, families and the economy.

11.18 am

The Minister for Employment and Welfare Reform (Caroline Flint): I congratulate my hon. Friends the Members for Regent's Park and Kensington, North (Ms Buck) and for West Ham (Lyn Brown) on attending the debate.

As my hon. Friend the Member for Regent's Park and Kensington, North outlined, the Government's programmes to support people going into work have had some success. A system that asked little of people, whether lone parents or others, has been tightened up in the past 10 years. We expect people to keep to a combination of obligations—I like to use that term more than the concept of conditionality. Those who, for one reason or another and often through no fault of their own, find themselves reliant on the benefits system, have obligations. Alongside that, as well as expecting people to help themselves and their families, we have recognised in the past 10 years that people come with a range of baggage, and different needs and histories. That makes it difficult to have a national system and framework and to come up with a system that deals with everybody, because people are unique, as are families. That problem applies to the systems for income support, jobseeker's allowance and incapacity benefit. That is why I have been looking closely at issues such as the jobseeker's system.

I have been reassured by and, in some ways, surprised at, how much flexibility there is within the jobseeker's allowance regime. At the moment, lone parents whose youngest child is 16 automatically move on to jobseeker's allowance, but we expect to lower that to age 12 and, as is proposed in the Green Paper, to consider lowering the age to seven in years to come. Clearly, we have only recently finished our consultation on the Green Paper, so we have yet to respond formally. It is valid to ask: why, if we have been so successful, do we need to make some changes? There are a number of reasons for that and it is difficult to deal with them in the time that we have left, because we could spend a lot more time discussing this matter.

In the past 10 years, with our new deal programmes for different groups of people, whether young people or older workers, the work that we have done for lone parents, and even the expansion of pathways to work for people with health conditions and disabilities, we have been on a journey. We had a starting point where, as we know only too well, there was little support. Also, in the 20 years before 1997, we were dealing with high levels of unemployment. Not only has the economic environment changed in terms of the number of jobs that are available today, but we have high employment rates. With the right support and, as I have said, the right obligations, more people have been able to go into work.

We have to ask ourselves some questions about the difference between 1997 and 2007 and about the different provision that is available, particularly for families—whether

[Caroline Flint]

in lone-parent or couple households—through in-work benefits, as well as through the development of child care support. As a founder member of the all-party group on child care, which my hon. Friend the Member for Regent's Park and Kensington, North took the reins of in later years, I know only too well that it is and always will be difficult for any Government to come up with the perfect system of child care and work balance to meet the needs of all families. We can help and do whatever we can, but it is never easy to combine work and family life and we can just try to make it as easy as possible.

Lyn Brown: Does my hon. Friend the Minister agree with the basic thesis in the speech by my hon. Friend the Member for Regent's Park and Kensington, North, which is that the capital has specific needs that the Government need to address differently?

Caroline Flint: I think that that is right. I look specifically, in a regular session, at the quarterly performance of London in terms of Department for Work and Pensions services. Indeed, my hon. Friend the Minister for the Olympics and London has a special responsibility for London. I accept that there are particular issues in respect of London and about how to make our dealings with various agencies in London work as well as possible, whether we are working with the Mayor, the London Development Agency or other bodies. An employment and skills board is being established in London, bringing those two aspects together. I will touch on that and on the announcements that were made on Monday.

On finance, I know that my hon. Friend the Member for Regent's Park and Kensington, North would accept that some in-work credits have been changed: nationwide, the figure is £40, and in London it is £60.

There are some issues about the cost of housing, too. On housing and council tax benefits, I am not totally optimistic, because a number of people in work do not realise that they can continue to get access to housing and council tax benefit discounts. Clearly, we have to raise awareness of that.

At the moment, the DWP is leading on some important pilots on benefits, tax credits and the housing benefit triangle, so that when someone makes the journey into work, we can get things fixed at one point, rather than someone having to deal with lots of agencies. We are working with the Treasury on that. If that proves as successful as the first pilot in the north-east, I hope that we can consider how to deliver a better service on that front.

On housing, we will engage with colleagues in the Department of Communities and Local Government and the Minister for Housing, because there are some issues directly linking social housing and worklessness. We should consider how we grapple with those matters in different neighbourhoods and communities.

In the time that is left, I should like to deal with some of the other questions that were raised. I hope that I have dealt with, as much as I can today, and acknowledged some of the issues to do with housing benefit and housing.

The jobseeker's allowance conditions, which I considered in great detail over the summer, are flexible enough to take account of the circumstances of lone parents. Of course, the responses that we are receiving on the consultation have given us some thoughts about how we look at that matter and about the guidance. I do not want there to be two separate regimes operating with JSA, because there are all sorts of implications with such an arrangement, and I do not think that my hon. Friend the Member for Regent's Park and Kensington, North is suggesting that. We are considering how to ensure that the existing guidance and flexibilities are used appropriately when dealing with a lone parent or someone on jobseeker's allowance who has a family and child care responsibilities.

The current regime allows carers, including lone parents, scope to tailor their availability for work to suit their circumstances, linked to an underpinning minimum of 16 hours per week, so long as they still have reasonable prospects of finding work. At the start of a JSA claim, a jobseeker's agreement is put together, setting out the hours that the claimant can reasonably be expected to work, as well as the types of work, location and wage that they are looking for. In our discussions, we are also looking at child care availability. There are already 9,000 lone parents on JSA with children under 16. Clearly, some lone parents are working with the current regime.

The issue of sanctions is important. We hope that the sanctions, and the obligations that come before them, are a way of deterring people from not engaging. I am looking at why lone parents are not attending a work-focused interview. Some 40,000 lone parents did not attend in one particular year. Considering that all we are doing is asking people to turn up for an appointment at a time of their choosing, why would a lone parent be prepared to take a cut in their family's money by not turning up for such an interview? We will be evaluating that.

First, I want to know whether the lone parent was aware of what the interview was meant to provide. Secondly, I should like to know whether, if someone has missed an appointment, they have the opportunity to flag up why they could not make it on a particular day. I have yet to hear arguments about why it is so onerous for an individual to attend an interview to engage with them about what is available and what support there is, particularly when we are talking about their doing so when their children are at school.

We hear a lot about people not getting access to the benefits to which they are entitled, not sorting out their housing benefit and not knowing about child care. One way for them to resolve such matters is to attend a work-focused interview and ask those questions, so that we can ensure that the provision is understood and we know what the problems are.

It is valid to ask the question, because people are making a big judgment to take a cut in money for themselves and their children by not attending an interview. I am not saying that interviews work perfectly all the time, but many people, many of them women, have found them to be a springboard to helping them to focus on their future goals. Over the summer, many women have said to me, "I am so glad I was called in, because, to be honest, I would not have gone if I had not been asked."

Ms Buck: Briefly, on that point, will the Minister write to me after this debate and let me know how many people were sanctioned for failing to attend repeat

interviews. The Government's own research confirms that it is not initial interviews that are the problem, but people's feeling that there is little point in follow-up interviews that do not add anything to the initial assessment. Does the Minister really, honestly believe, following the logic of her argument, that people should be losing all their benefit? There may be a case for that, but what will happen to the children?

Caroline Flint: I will write to my hon. Friend with some more detail on that matter. I understand that people do not necessarily lose all their benefits straight away: there is a graduated process and we have various hardship funds operating. However, that is a fair point. People are being asked in for an interview to get a plan of action and goals, including things to sort out—they may not be getting things that they are entitled to, they may not understand the tax credits or they may be unsure how they might be better off in work. One would hope that such things would be drawn out from one of these interviews, along with other things, such as skills and education needs, to enable them to move forward. I accept that inviting people for one interview after another without moving anything forward is not something that I want to spend DWP money on.

11.30 am

Sitting suspended until half-past Two o'clock.

Economic Partnership Agreements

2.30 pm

Tony Baldry (Banbury) (Con): I should like to commence the debate with three preliminary points. First, I think that everyone generally supports free trade. However, if free trade alone could bring prosperity to the world, we would have no difficulties. The reason why the international community described the present World Trade Organisation negotiation round as the Doha development round was that there was a clear recognition among that community that a free market mercantilist approach—the sort of Gladstonian, laissez-faire, liberal approach to which the Liberal party used to subscribe—simply does not work. The international community has to intervene in trade policy to protect the weak. In considering trade policy, therefore, it is not good enough to say that the marketplace should determine everything.

Secondly, I want to make two apologies to the House. It is impossible in a debate of this kind to do justice to the many millions of people in developing countries whose livelihoods depend on the various trade arrangements that now exist, and I acknowledge that in the time available I cannot give pen portrait descriptions of all the flower growers in Kenya or small farmers in other parts of the world whose livelihoods are at serious risk, although I am sure that examples of the threats to such people will be mentioned during the debate. Nevertheless, I do not want the somewhat dry and technical nature of the debate to allow us in any way to lose track of the fact that the livelihoods of millions upon millions of the poorest people in the world are at stake.

My second apology to the House and to anyone who reads my speech in *Hansard* concerns the fact that this area of policy consists of almost impenetrable collections of initials, names, acronyms and other terms. I shall try to explain them as I proceed, but I am afraid that there is no way of making this debate an exciting read, because there are some quite technical interactions of various bits of trade policy.

It is to the great credit of the former Prime Minister, Tony Blair, that, when he convened the G8 leaders at Gleneagles in 2005 under his leadership, the world made a series of commitments that has the potential, by 2015, to "make poverty history". Obviously, the leaders of the G8 could not on their own agree a pro-trade package; that required the international community as a whole. However, the G8 signalled the importance to sustainable development of a genuinely pro-poor trade deal. To ensure that pro-poor trade deal, there was going to be a huge frontloading of aid—about $50 billion by 2010—of which half was earmarked for sub-Saharan Africa, so as to have a lasting effect. The chairman of the G8 summit concluded that the G8 must

"make trade work for Africa",

and the communiqué to help Africa was signed by several EU leaders, including leaders from France and Germany as well as Britain. However, the Governments of those other member states have been noticeably almost silent during the EU trade negotiations.

In anticipation of the debate, the Minister asked me whether I was going to have a crack at the UK Government. In light of what I have said it is not particularly my purpose to do that. However, we are in this together. The Minister will know from past campaigns such as

[Tony Baldry]

the millennium debt campaign and others that trade is of great concern to hundreds of thousands of people in the country, including many of our constituents. They rightly put pressure on us; we put pressure on the Minister; and the Minister has to put pressure on Peter Mandelson. Unless we shout at the Minister, when he shouts at Peter Mandelson his protests do not carry the same conviction. I hope that the debate will therefore enable him to say in discussions with Peter Mandelson at the EU Commission that trade is a matter of real concern to colleagues in the House of Commons.

The Gleneagles communiqué was supported by an extensive and detailed report from the Commission for Africa. It was an impressive document and I hope that people do not forget about it. It made clear that trade is the key to long-term prosperity in Africa. Sadly, after the G8 summit, at the last WTO ministerial meeting in Hong Kong at the end of 2005, there was a comprehensive failure to agree on the Doha round, and there has been no WTO ministerial meeting since then, despite the obligation to hold one every two years, which means that there should be one by the end of this year. An attempt was made to resurrect Doha at Potsdam earlier this year but I suggest that, in reality, Doha is dead. If it is not, perhaps the Minister will tell us which bits of it are still stirring.

Where does that all leave us? In the United States, there is the temporary African Growth and Opportunity Act, and in the EU there is the failing attempt to agree economic partnership agreements for the group of African, Caribbean and Pacific countries. Mostly, those countries are in areas of former French, British or other European colonies.

Africa is where the negotiations are failing most. In 2005, the EU Commission was barely talking about the EPA agreements; it had reached an agreement with South Africa, but there did not seem to be any sense of urgency. Now, however, the clock is at five to midnight, because the WTO deadline for agreeing EPAs expires on 31 December this year—in just over a month.

It is highly unlikely that the deadline will be met for all regions. At best, the agreement on east Africa might proceed now that Kenya has signalled willingness to sign up to it, although the elections in that country mean that even that deal is uncertain. Moreover, last week, the *Financial Times* reported that east African countries will be forced rapidly to open their markets under the terms of a draft agreement that it had seen. That agreement will require east African countries to cut import tariffs on two-thirds of goods within two years. The agreement is reported to have a 25-year transition period for goods liberalisation, but the period will apply to just 5 per cent. of trade, which I suggest is unacceptable.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Before my hon. Friend moves on, does he agree that it is only pressure on Kenya's horticultural industries, which could be put out of business overnight if they have to move to a system of generalised tariffs, that is forcing the conclusion of the east African agreement? East Africa contains some of the poorest and least-developed countries on the planet, such as Ethiopia and Somalia, and they, too, will have to open up their markets.

Tony Baldry: My hon. Friend makes a good point, and I am sure that we shall hear similar points many times in the debate. The developing countries have been put in an impossible position. Either they sign up to something that they do not want, or they end up in the even worse scenario of having nothing at all. They really are between a rock and a hard place. My hon. Friend's description of what is happening in Kenya, including in the flower industry, is absolutely correct.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I recognise that the hon. Gentleman is raising an entirely reasonable concern about the negotiations on east Africa. By way of early reassurance to him, might I read the quote from Dr. Richard Sindiga, who is the Kenyan Ministry of Trade and Industry's deputy chief economist and one of Kenya's trade negotiators? He said:

"We have almost entirely protected those products by the most vulnerable people especially agricultural products. We will remove import duty on EU products in stages with an ultimate 80 per cent. by 2033".

I hope that that offers the hon. Gentleman some reassurance that what people were worried about—at the end of last week in particular, I received representations from a number of civil society organisations—has not turned out to be the reality.

Tony Baldry: I have two points. First, in a previous incarnation I was the UK fisheries Minister, and it was always incumbent on Ministers to go back and explain that they had done as good a deal as they possibly could, so one sometimes has to accept that there may be a degree of special pleading from Ministers overseas when they have negotiated and concluded a deal. Obviously, they will put the best gloss on it.

Secondly and as I said, the aim of the debate is not to have a crack at the Government but to enable us to share information with one another. If the Minister feels that my information, which is drawn from people working closely on this issue, including policy advisers, many non-governmental organisations and my own team, is in some way not entirely up to date, I am sure that the House will be extremely interested to hear in due course what he has to say. However, listening to the EU Commissioner himself, Peter Mandelson, on "The World This Weekend" on Sunday, one got the distinct impression that the position was that the Commission had been negotiating for seven years and that it was now up to the ACP countries to take it or leave it. For reasons that I shall explain, that is unacceptable.

My understanding—again, the Minister may be able to help us on this—is that negotiations have broken down completely in west Africa and are stalling in the Caribbean, so what will we get? I think that we will get a fudge, which raises several questions that I hope we can address during this debate. First, does the failure to agree a package by consent and agreement reflect the fact that the package is inappropriate for the ACP countries and sub-Saharan Africa in particular, or does it reflect the way in which the negotiations have been conducted? I suspect that the answer is both, and that a number of countries will allege that the European Commission on occasion has substituted bullying for negotiation.

Secondly, if we do not have EPAs, what do we have, and where will the alternatives leave ACP countries? Is there a plan B or simply a void? The third, and in the long term perhaps most important, question is this. If EPAs are unworkable and the general system of preferences—known as GSP—is only temporary, what sort of trade deal should low-income countries have? What should the Commission be calling for? One thing is very clear: EPAs do not meet the aims of the Gleneagles communiqué, and the EU Governments who signed the declaration should be making that clear to the Commission.

How did we reach this position? As we all know, the current system of Cotonou agreement preferences, which provides ACP exporters with preferential access to the EU market, expires at the end of 2007. The Cotonou agreement legally requires the EU to leave no ACP country worse off after the expiry of the Cotonou agreement preferences, in ways that are compatible with WTO rules. The European Commission maintains that there is only one means to fulfil its obligation—EPAs.

Pete Wishart (Perth and North Perthshire) (SNP): I share the hon. Gentleman's concerns about the general rush to sign EPAs in December. When I asked the Secretary of State for International Development about that in the previous debate that we had on the issue on the Floor of the House, he said that EPAs had to be signed because of WTO obligations, but surely there are other solutions. We could have an extension of the WTO waiver, or we could look at the GSPs and avoid the raising of tariffs by January. There are legal ways in which we can avoid rushing into EPAs and work in the best interests of developing countries.

Tony Baldry: The hon. Gentleman makes an extremely good point. I shall come to the issue of waivers and GSPs in greater detail. It is a perfectly valid point that we should not be put in a position in which we are told that it is either EPAs by 31 December or nothing at all.

EPAs pose a serious threat to ACP economies, because we are now moving to a reciprocal relationship with ACP countries in which all trading partners have to liberalise. That is fine over time, but ACP countries need policy space. The EU is the largest trading partner for most ACP countries, but as an advanced industrialised collective economy, the EU is also one of the most powerful competitors in the world. Although it is possible to design an economic relationship with the EU that benefits ACP countries, the Commission's current EPA proposals threaten to do the opposite. I submit that the proposals go far beyond anything that has ever been asked or that is required by the WTO and could have a serious negative impact on ACP countries.

There are three big concerns about EPAs. First, every developed country, including Britain and the United States, has used tariff protection during its history to develop industry. Indeed, every advanced economy has used tariff protection at various times during its history, but EPAs restrict that capability for ACP countries and could unleash a surge in European imports that would wipe out fledgling industries, such as Kenya's dairy and flower sectors, as well as undercut the prices of agricultural products. Threats from the Trade Commissioner, Peter Mandelson, mean that there could be a rise in tariffs that would equally devastate African countries. That puts at stake millions of jobs and thousands of companies in 76 of the poorest countries in the world, which depend on exports to the EU.

An example is Kenya's horticultural industry. The sector is worth $700 million in foreign exchange to Kenya, but come January, Kenya could face a 10 to 20 per cent. hike in tariffs on all its exports to the EU, which could be sufficient to bankrupt some of its most successful export companies, which have been carefully nurtured through development aid programmes, including those of the UK. That is one of the real ironies. Many of the fledgling industries that face being seriously undermined are industries, occupations and trades that we have helped to build up with development aid over the past couple of decades. This story could be replicated across the globe from Lesotho to Namibia, from Papua New Guinea to the Pacific island of Vanuatu and from the Caribbean to Mozambique.

My second serious concern is that Governments of developing countries themselves stand to lose a major chunk of their revenue from tariffs. For instance, Zambia would lose $15.8 million—the equivalent of its annual HIV/AIDS budget. EU assurances that there would be aid to compensate only underline how this slightly crazy merry-go-round would increase dependency on aid.

The third and possibly most complex and important issue of all is how EPAs will affect regional trade. If people can get cheap widgets from the EU, why would they bother importing them from their neighbour in Africa or the Pacific? UN studies have indicated that EPAs could lead to contraction in exactly those low and medium-technology industries that are the basis for successful job creation and enterprise in Africa and elsewhere. Pitting African countries against one another is one of the most destabilising and disturbing aspects of EPAs. High tariffs between African countries have often discouraged trade between near neighbours. We should be encouraging trade between African countries. That, it appears, is what African countries want. The African Union has talked of a pan-African trade area, and the new East African legislative assembly is attempting to build a common market similar to the EU. If that is what African Governments want, we should support it, not destabilise it with EPAs.

EPA negotiations are at a critical stage. Detailed draft texts are belatedly on the table in all regions, and the Commission has set out its core negotiating parameters in all six ACP EPA regions. ACP countries are being placed under immense pressure to make major concessions. The Commission has refused many constructive offers that they have placed on the table and has failed or delayed in responding to other requests. A number of ACP regions have made it clear that more time is needed to reach pre-development trade agreements. As the deadline draws close, exporters are becoming alarmed at the prospect of high tariffs into the EU market.

The EU appears to be watching the clock. In his interview on Sunday on "The World This Weekend", Peter Mandelson gave the impression that all trade negotiations tend to conclude at the last moment and that everyone plays it to the wire. I suspect that he is hoping that, as pressure mounts, ACP countries will have no option but to accept the Commission's proposals. Many who have been involved in the matter, including many non-governmental organisations, are deeply concerned to hear from the negotiating room that the Commission is manipulating the prospect of development aid as well as that of the loss of market access to pressure ACP countries to agree to proposals with damaging implications for their development.

[Tony Baldry]

With the clear omission of a development component and an aggressive EU trade agenda, EPAs threaten the achievement of the millennium development goals. Part of the problem is that the Commission insists on including issues that are not required and were strongly opposed by the ACP at the WTO, including intellectual property, competition and public procurement. For example, the African Union's collective position that

"except for trade facilitation, the other three Singapore issues of investment, competition policy and transparency in government procurement should remain outside the ambit of the WTO Doha work programme and EPA negotiations"

was stated in an AU Trade Ministers' declaration of June 2005 in Cairo and reaffirmed in April 2006 in Nairobi and in January this year in Addis Ababa. On all occasions, it was simply ignored. The Select Committee on International Development, which I chaired during the last Parliament, strongly criticised the EU recently for forcing the issues on the ACP:

"the EU is abusing its position in the partnership to persuade the African, Caribbean and Pacific (ACP) countries that the New or Singapore Issues are essential for development and by implying that there may be penalties if they reject them."

So what will happen? It is now too late for credible, negotiated and detailed agreements to be established by 31 December this year. Judging from past precedents, such as the EU-South Africa trade agreement, negotiations still have two to three years to run. The available options are to agree without negotiation detailed schedules prepared by one party to the EPA talks; to agree EPA agreements that establish the key principles but leave the details to further negotiation; to replace Cotonou in January 2008 with the EU's "next best" trade regime while negotiations continue; to create a better fall-back or interim regime for the ACP than exists at present; or to seek an extension of the WTO waiver.

The first three options are undesirable, and the latter two face problems. To agree EPAs either in principle or in detail without full negotiations with the ACP would be absurd. It would also raise questions of legitimacy. EPAs should be ratified as mixed agreements. They should certainly be ratified within the developing country agreeing them, usually—obviously, it depends on the constitution—by a vote in Parliament. That is what happened when South Africa reached an agreement on an EPA in 2002; it was ratified by the South African Parliament. Legal opinions—the most recent was secured by Oxfam—suggest that Parliaments in EU member states should also ratify such agreements. It is therefore undesirable that agreements should be reached without clarification or ratification in Parliament and without debate or details. Will the Minister confirm that the UK Parliament will have the opportunity to ratify or debate the EPAs? I understand that a European Scrutiny Committee meets on Monday. It would be helpful for the House to know what its scope will be in relation to the EPAs.

The third option is the default option, which would result in perhaps the least desirable outcome—the total void option. Even the Commission accepts that that would be a bad outcome. Officials say that, unless positive action is taken to avoid it, from January 2008, the EU will appiy to imports from ACP countries the generalised system of preferences, the tariff regime applying to all developing countries.

The standard GSP regime—I stress that it is distinct from GSP+—is much less favourable than Cotonou for many ACP exports. ACP states without least developed country status will experience a jump in the EU tariff applied to some of their exports. Although many of the increases will be relatively small, 267 of the goods that they export will experience a tariff jump of at least 10 per cent. Nearly two thirds of non-LDC ACP states will see a tariff jump of more than 25 per cent. by value on their current exports to the EU; for just over one quarter of states, the proportion of goods affected will be more than 50 per cent. The figures and the impact are quite serious. The most seriously affected countries will be those that export a relatively high proportion of the products facing the steepest tariff jumps. All ACP countries will be affected, but 20 countries—including Belize, Kenya, Namibia, Suriname and Swaziland—will be hit particularly hard.

Any new tariff results in the payment of taxes to the EU, notionally by the importer but in practice, through a cut in the price paid, by the ACP. The Overseas Development Institute calculates that new tariffs of 10 per cent. or less would result in a transfer from the ACP states to European treasuries of some €156 million a year, more than 2.5 times EuropeAid's commitment to health projects in all APC states in 2005. If tariffs of more than 10 per cent. and specific duties are included, the calculated EU tax take is much greater. Namibia, for example, could find itself paying four times as much in taxes to the EU each year as it receives from EuropeAid. However, such high taxes often will not be paid, for the simple reason that ACP exports will collapse.

The next option is a better fall-back regime, meaning GSP+. According to Cotonou, EPAs are not the only option; they are only the first to be investigated. Article 37(6) of the Cotonou agreement commits the EU to consider providing states that do not join an EPA with

"a new framework for trade which is equivalent to their existing situation and in conformity with WTO rules."

The EU's problem is that it has agreed to an obligation that it cannot easily fulfil. For eight years, it has failed to come up with a solution, but one regime comes close—the GSP+, available to the 15 countries that applied by December 2005.

To be an effective fall-back, the GSP+ must be accorded temporarily to all non-LDC ACP states from January 2008 and extended, at least for them, to improve its provisions covering the limited number of goods for which Cotonou is better. If the EU did so, it would avoid short-term disruption to trade, while giving all parties a breathing space in which to finalise an EPA or ratify and implement the remaining conventions needed to establish permanent eligibility. They are wholly autonomous actions that the EU can decide to take—the EU just has to do it. Otherwise, the only other option is for the Commission to introduce waivers under WTO rules. I shall return to that point.

Unlike the WTO waiver option, the solution is entirely in the hands of the EU. However, as with the waiver, the problem lies in the EU's unwillingness to act. The casualty will be the EU 27's credibility as a liberalising force. So far, the Commission has set its face against either of the changes to the GSP+, which the Commission alone can initiate, so we would be left with the waiver.

Waivers have traditionally been the response of choice from Organisation for Economic Co-operation and Development states that wish to ensure the multilateral legality of their preferential accords. It is a favoured option for some in the ACP and the European Parliament. It is not without its problems, but there is a precedent that could be useful: the waiver for Cotonou that expires in 2007 was delayed for two years while the EU negotiated with objectors. Although that shows that obtaining a waiver is difficult, it also shows that the EU considers it legitimate to continue with Cotonou preferences while a waiver is being negotiated, as it did from 2000 to 2002.

The key obstacle, therefore, is EU reluctance to seek a new waiver. That leaves us in a complete mess—one that was totally predictable, as we have known for years that the EU needed to agree a trade deal before the end of this year. It would be highly irresponsible to put in place agreements that are either forced on ACP countries without adequate negotiation or agreed without the details. It would also undermine accountability through the ratification process. It would be a disaster for development if we went back to GSP, but the Commission is pushing the default line that higher tariffs will be the consequence for the blocs that fail to agree to EPAs.

That leaves us either with GSP+, which is the least nuclear option but only a temporary measure, or with the EU seeking a waiver. It appears to be doing little about that. Indeed, it is doing little about progressing towards an alternative agreement on GSP+. One thing is clear: the ACP, and Africa in particular, will not get the trade deal that they desperately need. The think-tank Open Europe put forward a list of proposals in a recent paper on how EPAs should be negotiated if they are agreed. It is a pragmatic list and includes

"a longer time frame for liberalisation"—

of up to 20 years—

"as much room for discretion as possible within WTO rules in terms of the scope of liberalisation"

and

"allowing individual country timetables for liberalisation, rather than a single schedule for EPA regions, to allow regional integration to proceed at its own pace."

Other recommendations include the EU taking the threat of higher tariffs off the table, spelling out how it will allocate short-term aid to support tariff reductions and coming up with an integrated deal on preferences for developing countries with liberal rules of origin to be taken up by all low-income countries and, ideally, also harmonised through WTO agreements. That would be good, and it would also offset the trade-diverting effect of EPAs. I am sceptical that that will now happen as there are only four weeks of negotiations left.

So what is going wrong? Of course, there is no single simple solution. Removing the barriers that stand in the way of equitable global economic development requires action on multiple fronts: effective aid, debt relief, disease prevention and conflict resolution. However, world trade rules are currently a significant part of the poverty problem and fundamental reforms are needed to make them part of the solution. The capacity to trade, both among African neighbours and with the rest of the world, is the key to unlocking Africa's prosperity. Effective world trade can and should be a powerful force for good. The numbers stack up. According to Oxfam, if the developing world were to increase its share of world exports by just 1 per cent., the resulting gains in income could lift 128 million people out of poverty. In Africa alone, that would generate $70 billion—approximately five times what the continent receives in aid. A mere 1 per cent. movement in Africa's share of world exports would lead Africa to receive more than five times what it receives in aid.

Low-income countries need a comprehensive pro-poor trade deal at the WTO. The deal should mean that EU countries and other major industrialised countries open their markets unilaterally to the products of all low-income countries, liberalise rules of origin to make tariff and quota-free access a reality for low-income countries, offer incentives to encourage low-income countries to reduce trade barriers against their low-income neighbours, abolish all export subsidies and help low-income countries to develop their export capacity. Without a trade deal, there is the danger of going backwards on the Gleneagles declaration. With trade negotiations failing in the EU and the WTO and given the start of a new presidential race for the White House in the United States, it is time for collective action to make those reforms. Now is the time to get real about trade.

3.4 pm

Mr. Andy Reed (Loughborough) (Lab/Co-op): I congratulate the hon. Member for Banbury (Tony Baldry) on securing this timely debate about an important issue that is worthy of discussion. I am looking forward to the Minister's response—*[Interruption.]* I fully understand his need to disappear briefly while I am speaking, and I have not taken it personally. He will be back momentarily.

This is not about Government-bashing. We have some criticisms of the direction that the negotiations are taking, but we welcome the progress on aid and development that has been made over the past decade or so. However, a lot of that good could be undone by some of the examples given during the hon. Gentleman's speech. For example, all the aid programmes in Kenya could be undone by the 10 per cent. tariff. That shows how ridiculous the situation has become.

Like the hon. Gentleman, I want to focus on the need to ensure that the EPA negotiations, if they have to be concluded so quickly—we can question that—put development at the top of the agenda. Development should be at the heart of such negotiations. It became clear—I wrote it down—during the meeting of the all-party group on debt, aid and trade last week, which many hon. Members attended, that this is all about the people. It is about the individual farmers whom we have met in their countries. It is about the farmers who, more recently, have visited us to ask that we campaign on their behalf. Sometimes we can get lost in the jargon, with EPAs and GSP+. Those people do not understand that. They understand the impact on their individual lives and the negative impact that the process could have.

I accept that it is necessary to replace EPAs, but I want to hear from the Minister how necessary it is to reach the deadline of 31 December without considering the alternatives of waivers. I probably do not need to go into much detail, as the hon. Gentleman has made a compelling case for the alternatives to heading at such speed to the deadline of 31 December.

The Minister will have heard many of the concerns. However, it is worth re-emphasising some of them. Instead of being pro-development and using the opportunity

[Mr. Andy Reed]

to push Europe forward as an area that prioritises development, we seem to be producing an open free market economy through the EPAs. Instead of offering a protective environment, in which those countries can develop in the short term, they are being opened up to the rigors of free trade. The policy sets developed against developing and opens markets up to competition before they are ready.

Those who were present at the meeting of the all-party group a couple of weeks ago were fascinated to hear some of the evidence about whether free trade and liberalisation is a good thing. We tend to have a mantra that says that we are all in favour of free trade and liberalisation, but some economists are producing a lot of work that demonstrates that there is not an automatic link between the two. Many other parts of liberalisation, including some tariff protection, are an important part of the mix.

We need to look more deeply at some of the work that is available on how unreliable free trade and liberalisation can be. We need to be critical of merely joining a train that is headed in a particular direction and we must question some of the fundamentals. I hope that we can consider that today and see what benefits people believe will come out of the headlong rush into free trade.

I am concerned that the agreements will not help local produce to develop in its own country. We have heard examples of companies that will be pushed out and products that may flood in from EU countries—subsidised products that will damage the development of value-added goods that offer a way for a developing country to make more money from its resources through sectors such as agroprocessing, clothing and textiles. I am sure that the hon. Member for Cotswold (Mr. Clifton-Brown) will talk about his experience in the Seychelles. Those producers and others who know the potential impact of the EPAs have genuine concerns. I am sure that he will want to talk about that in more detail.

The hon. Member for Banbury rightly mentioned that regional trading between countries would be reduced because of the blocs, and other countries could or would lose out to increased goods coming in from the EU. The blocs cut across the regional groups, which should not be broken up. In fact, we should be helping to strengthen those groups, so that we set up the African free trade equivalent of the European Union. Allowing that flood could damage many of those fledgling industries, which need support, rather than total exposure.

The danger is that social spending could be cut as Government tax revenues are impacted and Governments lose valuable money. The figure of $15 million has been quoted, and it is equivalent to the expenditure on Malawi's HIV programme. It does not sound a lot to us, but $15.8 million has a significant impact on the work that Governments do in such countries. Furthermore, such black holes in Government revenue must be filled with—guess what—EU aid and aid commitments. That is contradictory, and it needs to be sorted out, because it is ridiculous for us to rush headlong into agreeing EPAs, only to end up picking up the bill for their impact. We therefore need to do a little more joined-up thinking about the impact of EPAs.

We have been promised that any opening up of markets that results in the Governments that will be particularly affected losing revenue would be dealt with through aid, but I do not think that we should be giving that reassurance. I would much prefer us to go back to first base and reassure countries that they will not need our aid because we will sort out the tariff problems in the first place.

Mr. Clifton-Brown: Does the hon. Gentleman not agree that the difficulty for many ACP countries in these negotiations is that the EU is not only their largest trading partner, but their largest development assistance donor? They are therefore between a rock and a hard place if they do not sign these agreements.

Mr. Reed: I accept that, and the term "bullying" has been used on numerous occasions in various articles and briefings. There is a real difficulty for such countries, and although we often hear reassuring words at Government level—we would, would we not?—individual Members of Parliament in some countries feel a little less secure about the direction that is being taken. The hon. Gentleman is right that the EU is the biggest donor and that there is pressure to be seen to be of some assistance in trying to hit the deadline, but there is a contradiction there.

The hon. Gentleman's remarks also raise the issue of capacity—the number of people with the expertise to negotiate on behalf of such countries. Again, we need to take the issue seriously. It was taken up seriously in the Doha round, and capacity building was a welcome part of what the UK Government did; indeed, I am sure that the Minister will tell us of other examples of where we have tried to assist with capacity building. However, it is still difficult for small countries to face negotiating teams from the EU or individual Governments in bilateral discussions. We therefore need to ensure that there is a level playing field in the negotiations.

We must accept that the Government have come a long way, and that is particularly true of 2005, when the Prime Minister and the documents that this country produced put us in the right place—all the words were there and the intentions were good. To return to the first comments by the hon. Member for Banbury, the debate is about giving the Minister extra grist to his mill, so that he can go to Brussels and say, "Look, we are cognisant of the problems that will arise." We know that the Government want to get the best deal for the poor and the development agenda, but we need to ensure that that is delivered at EU level.

Producers in ACP countries are voicing concerns, and industrialists are worried—this is not only about NGOs and civil society, but about a large group of people across society. As the hon. Gentleman knows, parliamentarians recently held a couple of events to raise such issues, and a Ugandan MP, the hon. Joseph Mugambe, expressed concerns about the way in which EPAs were being forced on his country, with Parliament given no time to scrutinise and vote on them. He was worried for his country and lamented the lack of responses and understanding from the European Commission. He felt that EPAs were a bad deal for his country, but he was resigned to the fact that Uganda would sign up because the pressure applied to senior Government figures was so heavy, which goes back to the hon. Gentleman's point.

Ghana is also under pressure to sign agreements, with British officials using their influence to ensure that countries sign. In a way, that is quite welcome, but the

question is whether the negotiations have been fair all the way through, and I would like to hear whether the Minister is confident that that has been the case.

NGOs and the trade justice movement have rightly been upfront on the issue. As the hon. Gentleman said, just a small increase in trade would lift hundreds of millions of people out of poverty—far more than increases in aid spending or some of the work that we have done on debt cancellation would achieve. Trade is the real key, and if we get things wrong this time, we could increase poverty, rather than reduce it, which would be a terrible step backwards when so much progress has been made recently.

Last week saw the draft East African Community-EC EPA—unfortunately, as the hon. Gentleman said, this is one of those issues that uses a lot of acronyms. Although the term "draft EAC-EC EPA" rolls easily of the tongue, it is in direct contradiction with the UK's policy on EPAs because it will undermine regional integration and impose rapid liberalisation, with the EAC opening up 63 per cent. of its trade by 2010, while access to the EU might be reduced because of stricter EU safeguards. The 10-year timing on the 63 per cent. is important, given that most countries understood that there would be a longer lead-in time of 25 years.

Mr. Thomas: As the comments by my hon. Friend and the hon. Member for Banbury about the EAC negotiations show, there has been considerable concern about the issue. On the 63 per cent., let me reassure my hon. Friend that 63 per cent. of goods in the EAC already have no tariffs in respect of the EU. What has happened so far is that that has been written into the agreement. There is no fundamental change as regards the 63 per cent. I hope that that gives him, the hon. Gentleman and civil society groups that have followed the issue closely some reassurance.

Mr. Reed: I am grateful for that intervention because the shifting sands of this process mean that things are changing almost from day to day even though the deadline is tight. As regards the 10-year or 25-year period, I hope that the Minister will bear in mind the progress that is being made on the remaining 37 per cent. of goods and continue to bring pressure to bear. We hold debates such as this precisely to tease out some of the more detailed points, which are fundamental to the overall way in which the policy is developing.

As I was saying, such issues have been raised not by a minority of commentators, but by a wide range of people in civil society. At last week's meeting, my colleagues and I met Aissata from the Agency for Co-operation and Research Development, a Kenya-based charity. To return to a point that I made earlier, she talked about the effects on individual farmers of the issues that we are discussing—her charity is one of those that looks after individual farmers in parts of Kenya. So often, discussions about development issues deal with numbers, facts, figures and legal arguments, and we forget that it is the people on the ground whom we are trying to help.

Aissata spoke very movingly about the small-scale subsistence farmers—usually women—who grow tea and flowers. They have had really poor experiences with previous programmes and have lost out in any new agreements, so they are worried about what will happen this time around. They have heard of EPAs because they know that the negotiations are going on. They are genuinely worried about the impact on their livelihoods and about whether they will, literally, be able to feed their families if changes suddenly take place over the next year or so.

The Commission is proposing a two-step approach, with countries signing interim EPAs by the end of this year and full EPAs by the end of next year. As we have heard, however, there are alternatives, and I urge the Minister to look at them to see whether there are other ways to deal with the process. I know that such negotiations always go to the wire and that time pressure usually means that we get a deal, but the pressure to introduce legislation quickly in the House often means that it is poor legislation. Although there is pressure to negotiate—without it, the negotiations could go on for ever—I urge the Minister to find a middle way and a timetable that allows us to have full negotiations and capacity building in the meantime.

To quote a recent statement from the Network of African Trade Unions:

"the deal that has now been presented to a number of regions, which has been dubbed 'EPAs light', will still have dire consequences for our economies and jobs. The fact that the liberalisation of tariffs on goods, including agriculture, will happen at such a level and rate as to threaten our small farmers and infant industries could spell disaster for some of the most fragile economies in the world. On top of this, the rapid loss of government revenue will paralyse our governments' abilities to invest in education, health and decent jobs, all of which are crucial to sustainable development."

This is how people on the ground, rather than those engaged in the highfalutin discussions that are a part of the process, rightly see the EPAs and negotiations.

Given the fact that the agreements are felt to threaten and undermine regional integration and could lead to extensive loss of jobs, livelihoods, revenue and policy space, is it possible that the Government should be doing more to ensure at EU level that more time is available for truly pro-development agreements to be reached? I look forward to hearing what the Minister has to say. I know that he has made great progress in many of the matters that we have discussed. We all, however, need to be convinced that the EPAs can be made to work for the poorest in the world, and deliver a development agenda that we all want.

Frank Cook (in the Chair): Order. There are 40 minutes remaining in the allocated time for the debate. I hope that the next hon. Member to speak will take no more than one third of that time.

3.21 pm

John Barrett (Edinburgh, West) (LD): When more than 200,000 people marched through my Edinburgh constituency in 2005 at the time of the Gleneagles summit, as part of the "make poverty history" protest, one of the key demands was for a fairer trading regime with developing countries. It is now almost universally accepted that fair trade, more than anything else, is the key that will ultimately unlock the poorest countries from the chains of mass poverty. I, too, congratulate the hon. Member for Banbury (Tony Baldry) on securing today's debate at what is certainly an opportune time. As he said, the debate is in part necessarily a dry one, but what is at stake is a matter of life and death for many people.

[John Barrett]

I doubt whether there is anyone who does not agree that we need to replace existing trade agreements between the EU and African, Caribbean and Pacific countries. Where I would challenge the EC is on whether the economic partnership agreements, as they currently stand, are the best way to do that, whether the timetable that the EC has outlined is realistic, and whether the process has been fair. It is also important to remember that the EPA talks are taking place in the context of the latest floundering World Trade Organisation talks. Indeed, the long shadow of the failure to reach substantive agreements in the Doha round hangs heavily over the current negotiations. The irony is that the EU is pressing ACP countries to agree a deal by the December deadline to comply with WTO rules that in all probability would no longer be in the WTO rule book had there been a successful outcome to the Doha development talks.

Before I move on, I want to stress that although I have several criticisms to make of the EC on a number of points, I genuinely commend the Department for International Development and the Under-Secretary, particularly for his work in this area and the successes that he has had in securing changes. I only wish that there had been more of them.

I, like many others, was hopeful that the latest trade negotiations between the EU and the ACP countries would aim to deliver an agreement that was development-focused. I had hoped, initially at least, that the talks would deal with the interests of the poorest countries, rather than being concerned just with protecting narrow domestic interests. Instead, today the European Commission is on the verge of becoming the first Commission in 50 years to impose a wide-ranging increase of European Union tariffs on some of the poorest countries in the world. Let us make no mistake: if that happens it will be by choice, and not by legal compulsion, as has been claimed by Trade Commissioner Mandelson, among others.

I am sure that we are all familiar with the argument: the EU claims that a deal must be done by December to ensure WTO compliance. It says that failure to agree the EPAs by then will give the EU no choice but to

"fall back on our default preferences scheme"—

meaning higher tariffs for ACP countries—as

"there is no credible alternative".

The issue of the deadline is the first point that I want to raise. The December date, although useful in the past for focusing minds, must now be recognised as a major obstacle to the securing of an acceptable deal. It is not necessary for me to point out that trade agreements on such a scale are hugely complicated, and anyone who thinks that the agreements in question can realistically be concluded in the next month is mistaken.

The current Trade Commissioner has said:

"The EU is not threatening to raise tariffs for these countries, but is doing all it can to avoid this."

However, it is not true to suggest that there are no legal alternatives or that the December deadline is non-negotiable. It is not options that are lacking, but the political will to exercise them. As hon. Members have said, the EU could seek to extend its WTO waiver or to fine-tune the enhanced general system of preferences—the GSP+ that has been mentioned already—to allow all ACP countries to retain market access equivalent to what they have now. Forcing the pace of negotiations, as the EC appears content to do, can only disadvantage the weakest players, and makes a mockery of the EU's development credentials. I ask the Minister again to take up the issue of the deadline with the EC, and to urge a rethink on what seems at present to be a red line issue for the Trade Commissioner.

There are those in the EU who have warned that failure to reach a deal on EPAs by December would be a public relations disaster. I am more concerned that by rushing into what as they stand would be unfair EPAs, we shall store up a humanitarian disaster for the future. Developing countries have much to lose from the EPAs, and precious little to gain. In May last year the Prime Minister—the then Chancellor of the Exchequer—said in Abuja, Nigeria, that

"we know even with fair access it will take time for poor countries to compete... instead of forced liberalisation, poor countries must be allowed the flexibility to decide, plan and sequence their own trade reforms."

The then trade Minister, the right hon. Member for Makerfield (Mr. McCartney), said in June this year:

"We believe that it is the preserve of the ACP to determine their own trade policy."

I agree entirely. The problem is that the flexibility to decide, plan and sequence their own trade reforms is exactly what developing countries will be denied if the EPAs go ahead. The danger is that the EPAs will unleash a surge of European imports that could wipe out fledgling industries in many countries. Kenya's horticultural industry has already been mentioned. It is a sector worth $700 million in foreign exchange to Kenya. The danger is that tariff hikes on its exports to the EU could put at risk some of the most successful export companies. Those companies, lest we forget, have been carefully supported through aid programmes, including those of the Department for International Development.

Other hon. Members will, like me, have heard the Commissioner deny claims that EPAs will open up the ACP markets to EU trade at the expense of local businesses and growth. However, it is undeniable that the EU is demanding greater and faster liberalisation than regions are willing to offer. I know that EC representatives have stressed that the changes will be implemented over time, but I am sure that other hon. Members will be as concerned as I am about the seemingly contradictory noises that we hear about the issue. It seems that there is a clear distance between what Trade Commissioners tell the press and perhaps even the Government, and what the negotiators tell the ACP representatives. We need more leeway in the negotiations to allow ACP countries to liberalise in a phased manner and at a pace that does not decimate their industries at a stroke.

Perhaps the most worrying impact of the EPAs in their current form would be their effect on regional integration. In the long term there can be no doubt that building up trade within Africa is more important than exporting to the EU. The EPAs are supposed to encourage regional integration, but as they are drafted they would fatally undermine the long-term prospects for such essential internal trade between ACP countries.

There is also a real problem with the way that the EC is pushing for an interpretation of "substantially all trade" within the EPAs that goes far beyond what ACP

countries want, and which is, indeed, beyond what the UN calculates is necessary to foster regional trade. Similarly, even at this very late stage the EC is inconsistent about the percentages of product lines that it says it is willing to accept for liberalisation on the part of the ACP. Eighty per cent. is a figure that has often been quoted by senior EC representatives, but recent reports from negotiations in the Economic and Monetary Community of Central Africa, the East and Southern Africa grouping and the Caribbean regions indicate that the EC has been insisting on liberalisation commitments of up to 90 per cent. in some cases. I should appreciate the Minister's comments on those points, particularly given that UN research calculates that eventual liberalisation towards the EU would have to be at a level of no more than 60 per cent. of trade; otherwise, regional trade would be undermined, rather than enhanced.

The key point is that the Commission's approach to regional trade and integration in Africa seems to have no concern for development as a goal itself. The lack of any reliable impact assessments of the introduction of the current EPAs means that we cannot expect ACP states to sign up to them. I seek reassurance from the Minister that under no circumstances will signing up to an EPA ever become a precondition for aid recipients, whose European trading partners are often also their largest donors. It would be fair to say, therefore, that many ACP countries are caught between a rock and a hard place.

Mr. Thomas: We have pursued that with the Commission, which denies that it has ever sought to link signing an economic partnership agreement to offers of aid. Resources might be available for aid for trade in order to help implement the provisions of EPAs, but that is very different from the concern that the hon. Gentleman has raised about conditionality.

John Barrett: I am delighted to hear that reassurance, because that fear exists among ACP countries and a number of non-governmental organisations. I thank the Minister.

It ought to be clear that we need urgent reform of EPAs and a radical rethink of how we approach this matter. I appreciate the concessions and changes secured by the Government and I commend DFID for making this a key issue within the EU. I fear that otherwise, it might not have even registered on many people's political radar. However, if the EU's claim to be development-orientated is to have any credibility, it has a long way to go. We ought to remember why we are having trade talks in the first place. Is there not supposed to be a development thread at the heart of these changes? I am struggling to see one. The Prime Minister has said that Africa is one of his great passions. I do not doubt him, but the coming month will be a real test of his commitment.

3.32 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): This is a timely debate because the negotiations are at a critical stage. I pay tribute, therefore, to my hon. Friend the Member for Banbury (Tony Baldry) for securing this debate, and through you, Mr. Cook, to the Speaker for allowing time for it to take place.

Much of the ground that I wish to cover has been touched on already. My hon. Friend covered the subject comprehensively. As he said, although it might be a dry subject, it is incredibly important to the 76 countries involved and to hundreds of millions of some of the world's poorest people. If we get this wrong, we risk putting them into even greater poverty. I hope, therefore, that the Minister can reassure us some more—he has already begun to do so. Unlike in many debates, in this one we are largely uncritical of the Government. We are having this debate because we fear the consequences of getting it wrong.

I welcome the opportunity to put forward concerns expressed not only by trade negotiators whom I have met in Africa and the Caribbean, but by civil societies, by non-governmental organisations and particularly by Trade Justice Movement, which has supplied me with much useful information and kept me up to date with the state of negotiations. It is a fast-moving situation, and no doubt the Minister can update us further. As my hon. Friend said, we have another chance to address the problem on Monday in the European Scrutiny Committee debate.

Like my hon. Friend, I would like to ask the Minister what steps have been taken to ensure that Parliament will have an opportunity to scrutinise the EPAs, if they are agreed, before they are ratified by the EU, and before the British Government sanction them.

After a complaint from Brazil, which wanted increased access to the EU sugar regime, the World Trade Organisation met and declared that, by 31 December 2007, the preferential trade agreements with the 76 ACP countries must be replaced by EPAs, which should be WTO-compliant. Unfortunately, instead of celebrating a new era of global trade, we are here discussing the potentially harmful consequences. The Minister is obviously aware of the criticisms levelled by NGOs, the World Bank, the International Monetary Fund and by many hon. Members. Through the good offices of my hon. Friend, we are ramping up opposition in Parliament. It is only right that we should do so. It is becoming clear that rather than introducing a new system that will strengthen development within those countries, the EU is aggressively pushing a policy that largely benefits the EU while potentially damaging some of the world's poorest people and nations.

Tariff protectionism has been a key tool employed by many developed nations, including our own, with reductions coming only when the vital industries affected were strong enough to thrive in a highly-competitive global market. However, it is worth noting the high levels of agricultural protectionism that the EU still employs. Under EPAs, ACP nations will find many fledgling industries forced to close as they face threats from the rest of the world against which they cannot compete.

The hon. Member for Loughborough (Mr. Reed) invites me to use the example of the Seychelles again, where the tuna fishing industry faces closure and the loss of many hundreds of jobs among a population of only 88,000. That industry will go to Thailand or other low-cost producing countries, so the process poses huge dangers. There is another danger: if we are not careful, countries that against all odds are protected by such agreements, might be protected in such a way that they cannot add value to and develop their primary industries because they would have to compete with countries that can add value at a lower cost.

The loss of revenue from existing tariffs is of equal concern. Although there is an option to introduce VAT or other local taxes, I do not believe that that would

[Mr. Geoffrey Clifton-Brown]

cover the losses. Most significantly it would shift the burden of aggressive local taxation on to some of the poorest people in those countries. The IMF estimates that for every $1 lost from the harmonisation of tariffs, only 30 cents will be recovered through VAT or local taxes. In some cases, Governments will face a severe loss of revenue, and there are few mechanisms for replacing that. Inevitably that would mean cuts in public services in some of those countries.

Another concern relates to the effects on regional integration, which was also mentioned by my hon. Friend, and which might be more important than trade with distant global partners. If individual blocs increase trade among themselves, they will be likely to compete on the same basis, which will benefit them hugely. Having said that, some well-established tariffs ought to be abolished. For example, I discovered that the local brewery in Barbados is protected by a 15 per cent. levy imposed by the Government on beer from other Caribbean countries. It just so happens that that brewery belongs to Diageo. Sometimes, therefore, those tariffs protect not the poorest people, but the large, international players.

The behaviour of the EU has been the most disturbing part of the process. The negotiations are about to set in motion the first free trade agreements in which less developed nations have ever entered. However, they do not wish to do so. They have been forced to negotiate with one of the biggest global trading blocs and with, in most cases, the ACP countries' largest international aid donors. Given the EU's commitment to development, the keen awareness of other potential problems and the acknowledged and entirely understandable weakness of the ACP trade negotiators, one would have thought that the EU would have offered as much help as possible.

To my consternation, that has not been the case. The 31 December deadline looms and has been used as a battering ram to corral those very small nations into signing a deal out of which the EU appears to be the only winner. I shall give an example of how difficult that process is for some of the smaller countries. In Ghana, just one man is responsible for negotiating EPAs, for negotiating with the WTO, and for negotiating bilateral trade agreements between Ghana and other African countries. The EU will probably have a team of people just dealing with Ghana. That shows the inequality of negotiating power.

The hon. Member for Loughborough said that, in many cases, the Department for International Development has tried to provide the resources and expertise to bolster the negotiating procedure of those countries. I have met representatives from the Caribbean negotiating machinery, and very expert they are too. However, it is still quite difficult to see the parity of those countries' negotiating positions when compared with the huge teams available in the Commission.

Many of these nations find themselves in negotiations that cover many hundreds of pages of close legal texts. Again, the ability of one man in Ghana—however good he may be—to deal with those negotiations puts such countries in a very difficult position. How are they supposed to assess fully the implications of signing an economic partnership agreement? That responsibility should have been addressed by the EU. In particular, the EU should ensure that proper impact assessments are carried out once the EPAs have been signed, so that their effect in future years can be fully understood and proper measures taken, either through international development assistance or other assistance, to cushion some of the worst effects. The hon. Gentleman clearly illustrated some of those effects through his quotation from the trade unions.

The fear has been raised with me on several occasions that not enough has been done to examine the impact assessments. There is also a need for transitional aid to help some of those industries that will be put out of business. All that has left some of the African, Caribbean and Pacific nations in something of a bind: uncertain of the consequences of not signing the agreements and ill-informed of any alternatives. As my hon. Friend the Member for Banbury and other hon. Members have said, the 31 December deadline is not absolute; there are alternatives, such as GSP+ and extending the waiver. I would be interested to know from the Minister whether he still believes that that deadline is absolute.

I would also like to know from the Minister what he thinks about the ongoing negotiations, for example, whether they need to include the Singapore terms or whether a goods-only agreement would be satisfactory. I ask that because the agreement initialled last Friday in Botswana, Mozambique, Swaziland and Lesotho was, I understand, a deal only for goods. If that agreement is going to be acceptable, what is all the fuss about? Why cannot all those six groupings simply sign goods-only deals, with an agreement to include the Singapore terms at a later date?

I would also like to ask the Minister what provisions there will be in the agreements to review them subsequently, especially if there are dire consequences. Let us face the fact that the EU is not possessed of all the knowledge in this area and there may well be elements of each individual agreement that will need modifying. I would like to ask him what the process for that review will be.

I must comment on what I see as a difference in stance by the EU; others have commented on that issue, although perhaps not as directly as I would like to. Much of the argument about the agreements stems from the percentage of the ACP markets that must be opened; the term "substantially open" is obviously open to interpretation. It used to be thought that the figure was 80 per cent., with 100 per cent. of the EU market being opened, leading to an average of 90 per cent. However, in many cases now the EU seems to be moving towards a 90 per cent. opening.

There also seems to be a difference as to what baskets of special industries can be protected. It was thought that the figure should be 20 per cent., but it is now argued that it should be below 8 per cent. That 8 per cent. figure is very interesting, because it is the figure that the EU was arguing for, in reverse, during the World Trade Organisation negotiations, to try to safeguard its own highly protected agricultural industries. That was one of the key reasons why the Doha round of the WTO negotiations failed. It seems that the EU is using double standards in that respect.

Finally, I would like to issue a plea to the Minister to look very carefully at where the negotiations are going. There is potential for good in them, including potential for trade development, and no doubt some countries will thrive by having their barriers taken down. That is

fantastic, it should be the aim, and it should be the aim also to lift these countries out of poverty through trade. My hon. Friend the Member for Banbury cited the fact that a 1 per cent. increase in trade could lift hundreds of millions of people out of poverty. Certainly, in the case of the Caribbean countries and other medium-income countries, it should be perfectly possible, with a little forethought, to lift them out of being medium-income countries and into being fully advanced countries, which are not in need of aid at all. It should be our aim to bolster the poorest of these countries, so that they are able to stand better on their own two feet.

The Minister has heard our concerns today. Those concerns will continue to be expressed, and I ask that, in the negotiations, he deals fairly with those countries, with many of which Britain has strong historic links.

3.45 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I, too, congratulate the hon. Member for Banbury (Tony Baldry) on securing the debate. Along with my hon. Friend the Member for Loughborough (Mr. Reed), and the hon. Members for Edinburgh, West (John Barrett) and for Cotswold (Mr. Clifton-Brown), he has, with great rigour, raised in the House the concerns of many people in this country about these economic partnership agreements. I will endeavour to respond in the same way in order to address hon. Members' concerns.

At the beginning, however, I should add a note of caution, in that this is a very dynamic phase of the negotiations. Things are changing very fast and negotiations are still taking place in a number of regions, so I hope that the House will recognise that I will be unable to give complete clarity in response to every point that has been made.

Nevertheless, let me start with the opening comments by the hon. Member for Banbury. I agree completely that a mercantilist approach to trade will not be enough to deliver the development benefits for the 1 billion people who still live on one dollar a day. We must intervene to ensure that development concerns are prioritised. That has been and will continue to be the Government's approach, both to these agreements and to the Doha round of discussions.

The hon. Gentleman was absolutely right to say that, although this debate will appear to be very technical to those who read our deliberations, this issue is nevertheless of enormous importance to the citizens of the 76 ACP countries, where there are millions of very poor people whose routes out of poverty depend in no small part on establishing better trade, both between their countries and with the European Union.

If the hon. Gentleman will forgive me, I profoundly disagree with his comment that Doha is dead. I was in Geneva only last week talking to negotiators from many of the countries that will be key to progress. In particular, I met the chair of the agriculture negotiating group, who is very clear that progress is taking place in those negotiations. Agreement there will be key to progress in other parts of the Doha dossier. Progress is taking much longer than we and, I am sure, all parts of the House would like. However, we believe that progress is being made. Despite the political difficulties that the chair of the group described, given the approach of the American primary season, we believe that a deal can still be done, even though we are at a critical point.

By way of providing context, the hon. Gentleman made the very good point—it was also made by other hon. Members—that no amount of aid will halve the proportion of people living in poverty, which is the key headline millennium development goal, without there being progress in other parts of the aid-trade debt relief agenda. For example, it is clear from statistics incorporated into the Commission for Africa report that more and fairer trade will be worth up to three times more to Africa than all the aid that it receives.

I am sure that most Members will agree that open societies that learn from and trade with other societies are enriched materially and culturally, and that trade creates jobs, generates income, gives consumers more choice and greater access to cheaper goods, gives access to cheaper inputs for producers, helps to stimulate competitiveness in an economy, allows technology transfer to take place, and stimulates co-operation and closer ties between countries.

The hon. Member for Cotswold said that it is true that no country has made progress without tariff protection. It is also true to say that no country has developed in the last 40 years in the absence of international trade and without bringing down tariffs at key points. It is for all those reasons that the UK has taken, and will continue to take, a keen interest in the EPAs.

I reassure the House that I have already been active in talking to Commissioner Mandelson, other EU member states and, crucially, many ACP Government Ministers and the lead negotiators from many of the six regions. Interestingly, none of the ACP Ministers to whom I have spoken has not wanted to sign an EPA. They have recognised the huge potential benefits that the agreements could bring their countries. If we can put in place duty and quota-free access to the European Union supported by simple, predictable rules of origin, ensure that the ACP's own market opening is properly phased, and provide support for enhanced regional integration, economic partnership agreements can offer substantial development benefits to the 76 countries that the hon. Member for Cotswold mentioned.

I have mentioned the fundamental parts of the UK position, which we set out back in March 2005 and for which we have sought to secure the support of other member states and the Commission. In the past two years, we have had a number of robust exchanges about EPAs with other member states and the Commission.

It would be fair to say that the UK Government have not always seen eye to eye with the Commission on its negotiating tactics. For example, we made it clear in the position paper that we published back in March 2005 that we wanted an offer of duty and quota-free access to be put on the table up front at that point. It materialised in March and April this year, although two products were in transition periods. Simpler rules of origin were put on the table, although not until this September. We have made progress on securing the development benefits that we have agitated for in the past two years, but we would have liked the Commission to have gone further and more quickly.

Mr. Clifton-Brown: What the Minister has said is helpful, but will he please answer one key question? If any of the six groups, or any individual country, does not sign an EPA by 31 December, is he prepared to stand by and watch the EU increase tariffs on it simply because there is not enough time to negotiate an agreement?

Mr. Thomas: As I have said, we have had disagreements with the Commission over tactics, but it has shown flexibility and brought the other 26 member states with it around to the UK position. We have been making the case strongly that no developing country should have worse market access from 1 January, and we shall continue to do so in the discussions that are under way.

I have indicated that significant development benefits have potentially been secured under EPAs, the most profound of which is duty and quota-free market access. There are also simpler rules of origin and the ability to protect completely up to 20 per cent. of a developing country's products from market opening. Some countries have actually offered to open up more than 80 per cent. of their markets. The Commission has not asked for up to 90 per cent. to be opened; there may have been some confusion because some countries and regions have wanted to go beyond 80 per cent.

There is still a long period for countries to reach the point of opening up 80 per cent. of their markets—up to 15 years at the moment, and we are pushing for more time beyond that. Written into the agreement is the provision of safeguards to protect particular industries in which there is a surge in imports. For example, food security would be a particular concern. Another development benefit will be regional integration.

To take some of the technical nature out of the debate, I shall give some examples of how countries will be able to secure direct benefits. The hon. Member for Cotswold mentioned the agreement that was signed in the Southern African Development Community region. As a result of that goods-only agreement, Namibia and Botswana, for example, will be able to sell more beef to the European Union market, as there are no quotas on it. The liberalised rules of origin could mean that Lesotho will be able to trade more clothing into the EU market, mirroring what it does in the US market. There are already direct development benefits.

I turn to specific questions that Members have asked. The Cotonou deadline is real; it is in place because the Cotonou agreement was challenged in the World Trade Organisation by other developing countries. I do not believe that a further waiver will be possible, as it would be challenged quickly and it would be difficult to get any sort of agreement. Developing countries such as Malaysia, Thailand, Costa Rica, Ecuador, Honduras, Brazil and Indonesia all grow products for which ACP nations now get much better access into EU markets. It is difficult to conceive of their agreeing to a waiver.

The extension of Cotonou was one of the four alternatives to full EPAs that the Overseas Development Institute referred to in the papers that it produced in the summer. I shall explain why I do not believe that two of the other three alternatives were suitable. I share the House's concern about the huge increase in tariffs that would follow the GSP, and we do not think that it is acceptable. That is why our position is that no country should have worse market access.

Equally, GSP+ is not a suitable alternative, although we are supporting the Seychelles' request to move towards it, for example. GSP+ countries would have to ratify some 27 UN conventions on human and labour rights, good governance and the protection of the environment. We would not want to undermine those agreements and give access to GSP+ to the Zimbabweans or the Fijians. The rules of origin under GSP+ are not as good as those under the Cotonou agreement or the proposed EPAs, and there would be a tariff jump for many products. Beef, bananas and oranges are just some of the products that would be hit by GSP+.

The alternative to full EPAs that did have merit was framework EPAs, which are effectively goods-only agreements and put off the need for progress on services and Singapore issues until a later date. We have always been clear that countries should be allowed and encouraged to negotiate on that basis if they wish. If they do not—a number of countries have made clear that they do not—those requirements should be put off. Given the current time scale, we need to concentrate on goods-only agreements. That is the position that we have taken since the Madeira Development Ministers' council, and will continue to take.

The loss of revenue from tariffs on key products is an issue to consider, but the considerable flexibility on which products will be opened up allows countries better to plan their market opening and to consider matters. I do not downplay the significance of that concern for some regions, but the goods-only agreements that have been negotiated will help to generate a significant increase in regional trade, and we want more regional trade benefits to be secured. The fact that some countries will have to negotiate further details under framework EPAs next year will provide for further regional trading benefits to be opened up.

Any goods-only agreement must be ratified by the Commission through its processes in the EU—that is a clear Commission competence. There will still be scrutiny by the House of Commons through the European scrutiny process, and agreements that go beyond goods-only will have to come through the House for ratification. We have a debate on the matter next week, and I have no doubt that there will be other debates to come.

We have provided funding not only to the Caribbean negotiators but to Economic Community of West African States, Pacific, SADC and Common Market for Eastern and Southern Africa negotiators, to help equalise the imbalance that Members have described between the EU and developing countries.

Heathrow Airport

4 pm

Mr. Mark Field (Cities of London and Westminster) (Con): Since the beginning of the millennium, the Government have been dithering over the pressing need to expand airport capacity throughout Great Britain. We have seen White Papers, judicial reviews, announcements, retractions and consultations. With tired predictability, the Secretary of State for Transport last week signalled that the Government might tack another runway and terminal on to Heathrow airport. That may or may not happen by 2020. The 2003 White Paper said that we should expect a new runway at Stansted as soon as 2011.

We grapple with aviation, which I believe is a must for business. I am a little more sceptical than many of my colleagues about the lobbying that comes from BAA, British Airways and others. I also listen very attentively to representatives from my own constituency in the City of London and Westminster—an increasingly important commercial hub—who recognise the importance of increasing aircraft capacity. The notion that we can take many people off aircraft, particularly for internal flights, and put them on to trains is something of a fallacy. That is possible to a certain extent, but given the reliability and the speed of our rail network, it is not a realistic argument for reducing substantially our air capacity.

In a moment or two, I will raise my concerns about the nature of the globalised economy. Increasingly, with the growing power of China, India and south-east Asia, we require a tremendous investment in our airports. However, this is not just an issue for business. Undoubtedly, we live in a much more affluent and outward-looking society, which is a very positive thing, but the flip side of that is that demand for leisure and personal flying will increase in the years ahead. I do not see that that is undesirable in the world in which we live.

If we look at some of the problems of our global society, we find that it is inward-looking, backward-looking and that opportunities exist for terrorists to develop networks. One of the most important things that any modern, forward-looking society can do is to ensure that its people have the opportunity to travel abroad and to see other cultures. However, to achieve that, we need to maintain our airport capacity.

The Government's solution, which was announced last week, was another conventional yet inadequate solution to the long-term problem. By papering over Heathrow's cracks, we get a cut-price remedy for our overburdened airports, but for how long and at what cost to the long-term health of our economy and transport system, the character of west London and the quality of life for local residents?

I believe that we desperately need a visionary outlook to improve transport and to have political leaders who have a firm eye on the future and the courage to take brave and innovative decisions. Too often, the UK's transport decision making has lain in the hands of corporate interests and environmental pressure groups. Unfortunately, that has happened with the Labour Government. After a decade in office, we have seen no such strategic thinking from successive Transport Ministers, and our transport system has ground to a halt as a result.

Not even Crossrail can be credited to this Government until we can be sure that the financial arrangements are robust. Although I have always supported Crossrail, I recognise that there are relatively few votes in it for me because a lot of my constituents, particularly in Mayfair, the City of London and Bayswater, will be adversely affected. However, now that we have put that programme in place, I believe that it is essential that we ensure that the funding is there; otherwise there will be ongoing blight for a lot of local residents. I particularly want to touch on the blight for local residents in relation to the proposals for a third runway and a sixth terminal at Heathrow.

We need more airport capacity, and I am all in favour of people's horizons being extended by international travel. I would be in favour of the third runway and the Government's additions to Heathrow's infrastructure if I believed that it was a long- term solution, but I fear that it is not. London and the UK now need a new state-of-the-art hub airport.

Given the emergence of Canary Wharf over the past decade and half as an important commercial centre and the plans to develop in the Thames estuary, the airport would need to be located in the east of the capital. The centre of gravity in our capital city, both commercially and in population terms, is certainly moving eastwards, and that is a process that will continue in the decades ahead. By building from scratch, such an airport could be planned according to the needs of a modern, global economy and utilise advances in environmentally sound construction and high-speed rail links into central London, the docklands and beyond.

Flying in over the North sea, planes would not disturb a large residential population, and that could allow a truly modern airport to operate 24 hours a day. Business folk could depart to and arrive from India, China and the rapidly developing economies of south-east Asia at convenient times. Construction could take place with minimal disruption, and the airport would be located in a place that would allow future expansion.

I have taken the opportunity to raise this important issue because if the consequences of our current aviation difficulties are to be seen anywhere, it is in my constituency. In the City of London, we have a large international business community that needs proper transport facilities to function. In Westminster, we have cultural and historical wonders that draw visitors from across the globe.

I have no particular affiliation to airline companies, environmental groups or those living near Heathrow. However, on several occasions in recent years, I have walked—I mean walked, rather than driven—through Harmondsworth and Sipson, the two villages that would be wrecked by a third runway. Even though they are located just by the existing airport, they retain some charm from their centuries-old roots. The same can be said, just about, for places such as Stanwell Moor, which is located right under the flight path of the existing runways and where some historic 18th century buildings still stand amid the noise and pollution. The residents of those villages have been misled by promises from all Governments—Conservative as well as Labour—on Heathrow's long-term expansion. This latest Government announcement is just a further stab in the back for all those who have held on in that quiet and pleasant little quarter of Middlesex.

[Mr. Mark Field]

It is clear to me as an MP who represents Britain's financial heart that there is a strong economic case for a comprehensive overhaul of our thinking on aviation. I speak as someone who rejoices in the availability of air travel for all and sundry. The people who wish to encourage British people to stay in the UK for their holidays presumably have no interest in the earnings that we gain from overseas tourists, who will continue to come to these shores. We live in a global marketplace. Agricultural produce, which was mentioned in an earlier debate, comes to us from all parts of the world, and we should wholeheartedly support free trade with the developing world as the best way for our nation to rise out of poverty.

Flying is part of our commercial life, and Heathrow has been the mainstay of our international connectivity for more than 50 years. Now, however, is the time to move on. Heathrow is currently operating at full capacity. Every year, 68 million passengers cram into facilities that were designed to take 45 million. With its two runways, Heathrow is the world's busiest airport and the resultant chaos is clear for all to see.

Flying into Britain, often for the first time, travellers from abroad can expect to be greeted by a shabby, overcrowded, understaffed and poorly planned mess of an airport, and Britons flying abroad face the frustrating prospect of long security queues and mind-numbing delays as the prologue to their hard-earned breaks.

None of that takes into account the problems that they might experience on arriving at their destination. Some 22,000 items of luggage are lost in transit from Heathrow each month. Heathrow has low landing charges through an outdated regulatory system. That leaves the busiest international airport in the world with landing charges that stand 17th in the world league. It makes very little economic sense, and it is not so surprising that important profitable revenue is often sought from retail outlets. BAA bosses have done their sums and found that necessary profits come not from passenger satisfaction, but from selling alcohol, perfume and Toblerone to a captive and often delayed audience. On top of that, operating at full capacity means that the airport is inflexible and staff are unable to respond quickly to changes in security procedures or to minor changes to the landing schedule.

We all use Heathrow airport because there is no alternative. The airport remains our single most important gateway to the global economy, but City bosses are beginning to claim that the Heathrow hassle factor is dissuading many business executives from travelling to our capital city. No one can blame them, especially in view of the delays that senior business folk often experience at immigration. It is expensive for companies to have staff unable to work simply because of costly delays in the travel system.

Research undertaken by the City of London corporation in 2002 revealed that some 70 per cent. of firms consider air services to be critical for business travel by their staff and that more than half of the respondents considered air travel critical for meeting clients. The square mile is the world's foremost financial and business centre and has a high concentration of international firms that can choose any of the world's major capital cities in which to locate. The City has made it clear that good aviation services and efficient, welcoming airports are a critical contributory factor to the continued competitiveness and ongoing success of the UK economy.

I do not believe that a new runway at Heathrow will solve the UK's aviation capacity difficulties and help maintain economic competitiveness into the future. The supporting infrastructure is likely to remain inadequate, even with Crossrail, and the limited supply of land around Heathrow suggests that the area will not be able to cope with a significant increase in airport activity.

Talk of airport expansion will inevitably be dogged by environmental concerns about aircraft emissions, but we need to accept that unilateral action by Britain to cut carbon emissions will solve very little globally but will seriously disadvantage our economy. To put our interminable navel-gazing over Heathrow into perspective, China hopes to have completed no fewer than 49 new airports within the next five years.

I reckon we need to rethink completely the entire question of aviation and airports in Britain and resurrect the idea of a brand new hub airport to the east of London. To provide real competition, it should be operated by someone other than BAA. It is only right that the Conservatives take the blame for the monopolistic regulatory framework that we put in place when we were in government. It is not the right way forward. The idea of an airport out on Maplin sands was considered and rejected in the past, mainly on the grounds of finance, but as long as Heathrow remains open, most major airlines will not consider relocating and the private sector will not consider stumping up the finance.

In essence, government in the broader sense needs to take a brave step and accept that Heathrow will never be what Britain needs. Many other cities came to that realisation about their own outdated airports and had the vision to relocate: Hong Kong, Kuala Lumpur, Paris and even places such as Beijing and Oslo, which I have visited in the past three or four years. Those airports are an absolute pleasure to pass through. We must reduce Heathrow's capacity, rather than expand it in a piecemeal form.

At present, aircraft operating at Heathrow are rightly subject to strict flight controls to reduce noise for the nearby large residential population. In essence, the controls mean that few planes can fly between 11.30 pm and 6 am. I well understand and very much support the idea that people have to be allowed to sleep in peace. Furthermore, the airport is hemmed in by houses and roads, which severely restricts future capacity, including freight capacity. Aircraft going to a new airport in the Thames estuary, for example, could fly in over the North sea.

With no residential noise and little disruption during construction, such an airport could become a 24-hour hub, and there would be potential to enlarge it if necessary in the decades ahead. The stacking of planes, which currently is such a problem at Heathrow because of noise and environmental impact, would be a thing of the past. High-speed bullet trains could take passengers directly to the City. I travelled on a Maglev train to Shanghai. It took just eight minutes to traverse the 21 miles between Shanghai's financial district and its international airport.

We could have such an airport as part of the regeneration of the Thames gateway, but it would require vision. Reducing Heathrow's use would leave the potential for 2,500 acres of prime land for community development

in a location near London with excellent City transport links. The sale of that land could help to fund the cost of a new state-of-the-art airport.

It must be recognised that our economy and quality of life will continue to suffer in an increasingly competitive world if we fail to invest in our infrastructure and think strategically for the future. Do we really believe that a sixth terminal and third runway at Heathrow will put to rest the issue of airport expansion for decades to come? We need an adaptable solution that allows us room to manoeuvre according to demand and future economic requirements. Above all, the Government should regard this as an opportunity to equip our nation as an internationally formidable partner and competitor for decades to come.

4.15 pm

The Minister of State, Department for Transport (Ms Rosie Winterton): I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing a debate on this clearly important and topical subject, which he feels strongly about in terms of both the wider issues and his constituents. He touched in the later part of his speech on some of those wider issues but focused initially on some of the challenges of Heathrow.

We all recognise that Heathrow faces some real challenges—it is the busiest international airport in the world—but we also recognise that London and the wider UK rely heavily on good international links to support our economy. The hon. Gentleman set out many reasons why good air travel facilities at Heathrow are important for the economy and for the many people who use the airport for leisure and holidays. That is an important point.

The hon. Gentleman touched on some of the major challenges, particularly in respect of tackling capacity constraints in the face of increasing demand for air travel. In a sense, those challenges apply to all airports in the country, but particularly to Heathrow. We need to look at improving the service to passengers and, of course, to airlines as well. We also need to ensure that we are tackling the challenges, while meeting our climate change commitments and respecting the local environment around airports, particularly in respect of air quality and noise.

The hon. Gentleman was right to speak about the problems that face passengers at Heathrow. It was because of those problems that last week we published a set of proposals on how to improve the end-to-end journey experience, and we are now looking in more detail at how to tackle some of the issues that he raised. I shall touch on some of them a little later in my speech.

4.18 pm

Sitting suspended for a Division in the House.

4.31 pm

On resuming—

Frank Cook (in the Chair): We have reconvened with 12 minutes allocated for the debate remaining, which will take us to 4.43 pm.

Ms Rosie Winterton: Before the sitting was suspended, the hon. Member for Cities of London and Westminster made a suggestion about airport capacity: that we should provide a new airport in the Thames estuary. I appreciate that developing Heathrow is not the only answer to our capacity problems, but the hon. Gentleman might recall that the construction of a new four-runway airport at Cliffe in north Kent was thoroughly considered and consulted on in the lead up to the 2003 White Paper, "The Future of Air Transport".

We recognised that an estuary airport would provide benefits in not overflying large populated areas. However, in view of the relative costs both for the airport and for surface access links, the time for construction and the financial viability of that option, the Government decided in favour of pursuing further development at existing airports, rather than building an entirely new one in the Thames Gateway.

Building capacity does not focus only on Heathrow. For example, the White Paper supported a new runway at Stansted, which would be the first new runway in the south-east for many decades. I can assure the hon. Gentleman that our commitment to the new runway at Stansted has not changed. It is important to remember that the White Paper also supported making better use of regional airports, such as Birmingham and Edinburgh. Growth in regional airports has a real part to play in satisfying overall demand for air services, as I know from the new regional airport in Doncaster, which is hugely popular with local people. Despite that, however, Heathrow is the UK's No. 1 and only hub airport, and we should not walk away from that even if there are problems.

Work is in hand to tackle many of those problems. Terminal 5 will open next March, and I am pleased that BAA plans to invest some £6.2 billion modernising Heathrow in the next 10 years. By 2012, Heathrow will have a total terminal capacity of around 90 million passengers—two out of three people will travel through terminals that are not yet open. Problems at immigration are being tackled. The hon. Gentleman mentioned the queues, and the Border and Immigration Agency is working with the Department and BAA to improve passenger flows.

On security, I am sure that the hon. Gentleman knows that the Secretary of State for Transport earlier this month set out a new industry framework to change the one-bag rule on hand luggage, without compromising security safeguards. Passengers should begin to benefit from that in early January.

The hon. Gentleman rightly drew attention to the frustration of long queues. Last week, the Civil Aviation Authority published its proposed package of price caps and incentives for Heathrow and Gatwick. Final price controls are not expected until March next year following a period of consultation, but the package will aim to incentivise BAA to deliver, in the CAA's words,

"genuine service quality improvements and to invest to raise the standard of service"

for both passengers and airlines.

The proposals contain an increased range of financial incentives for the airport operator, including targets for the percentage of passengers to be security processed within five and 10 minutes. As a further measure, the Secretary of State asked the CAA for its views on how

[Ms Rosie Winterton]

to improve the transparency of check-in times and other aspects of performance related to getting people through an airport.

The hon. Gentleman mentioned surface access. The Government's £16 billion funding deal for Crossrail is now in place and will provide a 30-minute link to the centre of London. From 2014, we will have an enhanced Piccadilly Line. The AirTrack scheme, if approved, would be a significant addition to Heathrow's rail links and provide direct services from terminal 5 to the south-west rail network via Staines.

Those measures should improve the passenger experience, both in getting passengers to the airport and inside the terminals, but the fact that demand for both departures and arrivals exceeds capacity on the current two runways remains an issue—the hon. Gentleman talked a great deal about it—which is why the Government are consulting on a third runway.

We need to be realistic about runway capacity if we are to protect Heathrow's international position. Our competitors have acted already: in contrast to Heathrow's two runways, Frankfurt has three, Paris four and Amsterdam five. Although Heathrow is full and turning away new services, all three of those competitors have at least 20 per cent. spare capacity, which provides them with resilience and allows them to grow.

In principle, the Government are in favour of a third runway, but our support—I hope the hon. Gentleman is reassured—depends on achieving a noise limit such that there would be no increase in the size of the area significantly affected by aircraft noise as measured by the 2002 57 dBA Leq noise contour. It also depends on establishing air quality limits, so that we can be confident of meeting European air quality limits around the airport, and on improving public transport to the airport. The hon. Gentleman has shown concern about those issues.

Mr. Mark Field: I mentioned that Paris has twice relocated its main airport in the past 30 years—obviously, relocation is an element of this issue—but one of the chief concerns of many residents of the Heathrow area is night flights. I totally appreciate, for the reasons I set out, that given the increasing power of India and China and countries in south-east Asia, there will be ever more demand for flights to come in at three, four or five o'clock in the morning. We need to encourage that, but I cannot understand how we could do so with Heathrow as it is today or how it will be in future. That is one of the reasons why I am in favour of building an airport on the coast, so that we can cater for the flights that I mentioned, without disrupting the sleep of many millions of our fellow citizens.

Ms Winterton: I certainly take the hon. Gentleman's point about the importance of ensuring that those who live around the airport can get a decent night's sleep. Again, that is one reason why a third runway would be important in ensuring that the increased demand can be met, while not having to encroach on any of the night time activities.

The hon. Gentleman mentioned his constituents in Sipson, Harmondsworth and Stanwell Moor—

Mr. Field: I should mention that Sipson and Harmondsworth are in the constituency of the hon. Member for Hayes and Harlington (John McDonnell) and Stanwell Moor is in the constituency of my hon. Friend the Member for Spelthorne (Mr. Wilshire). I just wanted to make the point that I have visited those areas around the airport on foot and have seen with my own eyes some of the concerns and some of the beauty and charm that those areas retain, particularly for people who have lived there for many generations.

Ms Winterton: I hope that it will give the hon. Gentleman some comfort to know that there will be the opportunity for the nice communities that he visited to respond the consultation and for the comments that I am sure that he will wish to make during the consultation to be taken into account as well.

The consultation also invites views on the introduction of mixed-mode operations as an interim measure ahead of a new runway, subject to the same local conditions as a third runway. Depending on the consultation's outcome, it will be for the airport operator to obtain the necessary consents in accordance with applicable planning rules and relevant statutory and other criteria. Final policy decisions on adding capacity at Heathrow will be taken at the earliest in summer 2008, in light of the results of the consultation.

This is not papering over the cracks. Our airports strategy is long term, looking ahead to the next 20 years or more, and I am confident that, with the significant investment going into Heathrow over the next few years and the proposals set out in the consultation on adding capacity at Heathrow, we can deliver a sustainable, customer-focused programme for Heathrow that supports a growing UK economy.

HIV/AIDS

4.43 pm

Dr. Gavin Strang (Edinburgh, East) (Lab): Mr. Cook, as you know, I have had the privilege of being a Member of this House for a good many years. Indeed, I was a Member of Parliament when HIV/AIDS first became an issue in this country. The world first became aware of AIDS at the beginning of the 1980s, when it was observed that young gay men in the US were dying from rare illnesses. The first documented case in the UK was in 1981. While scientists worked to piece together how the condition was caused, Governments had to work out how to respond to the new public health challenge.

My right hon. Friend the Minister of State, Department of Health, who is replying to this debate, will remember the huge campaigns mounted by the Government: the "Don't die of ignorance" leaflet distributed to every household in this country, the newspaper adverts and the public information film. Of course, there was such an outcry at the time because of the fact that to become infected was a death sentence. Infection with the HIV virus resulted within a short time in the breakdown in the human body's immunity to diseases, such as pneumonia. In Scotland in the 1980s, diagnosis with HIV was followed by death with AIDS within an average of two years.

The main sources of infection varied in different parts of the country. In some places, AIDS was very much a disease among the gay population. In other areas, HIV/AIDS was primarily a problem among injecting drug misusers. That was the situation in Edinburgh, where we had a major epidemic in the 1980s, predominantly among our injecting drug users. It is thought that a clampdown on the availability of needles led to an increase in needle-sharing, and that that in turn led to the explosion of HIV infection among Edinburgh's drug-taking population.

It was because of the scale of the problem in Edinburgh that I developed an interest in the subject and, under the private Member's Bill procedure, successfully introduced the AIDS (Control) Act 1987. That Act requires health authorities to publish reports annually, setting out the numbers diagnosed with HIV/AIDS, and to provide details of the work being done in their area on prevention, treatment and care. In the past year, the Government have indicated their intention to discontinue the central requirement of the Act. Health authorities would no longer be required to produce annual reports.

I understand that the epidemiological information provided by the reports is now provided centrally. However, without the reporting requirement in the 1987 Act, health authorities would no longer have to publish details of their work in the field of prevention, treatment and care. I am worried that that may reflect a wish—conscious or unconscious—on the part of the authorities to downplay the continuing incidence of HIV/AIDS as a major challenge in this country. I would be grateful if my right hon. Friend set out for me how health authorities are to be held to account for their HIV/AIDS work, if the reporting requirements of the AIDS (Control) Act are to be dropped.

The nature of the epidemic in the UK has changed over the decades. The numbers of new cases diagnosed declined into the 1990s. However, from 1995, increases in heterosexual and homosexual transmission in the UK, alongside increased numbers of people infected abroad, led to a decade of steep rises. An estimated 7,800 people were newly diagnosed with HIV in the UK in 2006. The most common route of transmission is heterosexual sex abroad, while the highest number of new cases actually transmitted within the UK is among gay men.

The total annual number of new diagnoses shows signs of stabilising, which is welcome, but within the total there remain some disturbing trends. Levels of transmission among men who have sex with men remain high, there are worrying signs of increased transmission among drug users, and the number of people becoming infected through heterosexual sex in the UK is steadily climbing—from 232 in 2000 to 750 last year. It is wholly unsatisfactory that so many people are becoming infected and have to depend on antiretroviral therapy for the rest of their lives. We know how HIV is caused and how to prevent it from being transmitted, yet thousands of people every year still become infected with HIV in the UK.

Public knowledge of HIV and AIDS appears to have declined. While 91 per cent. of people in the UK knew that HIV was transmitted through unprotected sex in 2000, that figure fell to 79 per cent. by 2005. Our education system has a role to play here. HIV/AIDS is not a compulsory part of school education in any part of the United Kingdom. Ofsted reported this year that schools in England give insufficient emphasis to teaching about HIV/AIDS and that pupils appear less concerned about HIV/AIDS than in the past.

Funding is also key. While HIV prevention money in Scotland is still ring-fenced by the Scottish Executive, prevention funding in England and Wales can be spent at the discretion of the health authorities. Money that should be spent on HIV prevention is vulnerable to other pressures within the NHS. A survey conducted by the National AIDS Trust in 2006 indicates that, despite increasing rates of transmission, HIV prevention funding has at best stagnated and probably declined in real terms over the last decade. My right hon. Friend will be aware that there is considerable support for a return to some form of protected funding for HIV prevention work that is not at the mercy of other short-term budgetary needs. I urge her to consider those calls carefully. I would also be grateful if she could set out for me details of the implementation of the commitment in the 2004 "Choosing Health" White Paper to a £50 million mass sexual health awareness programme for young people.

Targeted action is also needed. One in 20 gay men in the UK is now living with HIV. The Health Protection Agency warns that prevention work among men who have sex with men is not succeeding adequately. In its annual report published last week, the HPA called for an assessment of the progress made within the NHS in commissioning soundly based services. The HPA also called for action to address the rising problem of heterosexual transmission within the UK. Such action would include targeted prevention activities alongside work to reduce stigma and discrimination within black ethnic minority communities, which are disproportionately affected.

Another aspect of prevention work is the uptake of post-exposure prophylaxis, or PEP. The number of people seeking PEP is far smaller than the number of people

[Dr. Gavin Strang]

who are at risk. Just over one in 100 men who responded to the 2005 gay men's sex survey had sought PEP, even though almost a third of respondents who had not tested positive had been at risk of infection. Clearly, awareness campaigns need to be continued. Furthermore, PEP is not always easy to obtain. I would be grateful for my right hon. Friend's observations on the extent to which the NHS is now meeting the chief medical officer's recommendations that all primary care trusts should make PEP available.

Of the 73,000 people in the UK estimated to be living with HIV, about a third are unaware of their status. That means that over 20,000 people in the UK are HIV positive but do not know it; many of them will assume that they are HIV negative. That level of unawareness has two implications. The first is for individuals' own health, as people who do not know that they are HIV positive are not getting the treatment that they need to keep them well. At least a quarter of HIV-related deaths are among people who are tested and diagnosed too late for effective treatment. The second implication is for the spread of HIV, because people who mistakenly believe themselves to be HIV negative may be less likely to take all the steps that they should to protect their partners.

There have been improvements in this area. We have routine opt-out screening for pregnant women, and everybody attending sexual health clinics should now be offered an HIV test on their first screening, and subsequently according to risk. The Health Protection Agency's report, "Testing Times", which was published last Friday, sets out the welcome increase in the number of people tested and the reduction in waiting times.

However, I am sure that my right hon. Friend will agree that there is a great deal of work still to be done in reducing the number of people who are unaware of their HIV positive status. Some 37 per cent. of HIV positive people visiting a genito-urinary medicine, or GUM, clinic still leave the clinic unaware that they have the virus. My right hon. Friend will be aware of calls for GUM clinic HIV tests to be conducted on an opt-out basis universally, and to be provided for every attendee every time they attend with a new condition.

There is considerable scope for non-HIV specialties to expand their contribution to HIV testing. The Minister will be aware of calls for routine HIV testing to be considered in certain relevant secondary care specialty centres such as TB clinics. Just last month, Scotland and England's chief medical and nursing officers wrote to all doctors and nurses seeking their help in getting more people diagnosed. As the Health Protection Agency notes:

"Perceived and real HIV-related stigma and discrimination by non-HIV specialists continues to be a major barrier to both the offer and uptake of HIV testing in wider healthcare services."

There is also a funding issue. The 2004 "Choosing Health" White Paper pledged an additional £300 million over three years to transform England's sexual health services. In a survey of primary care trusts and clinicians in 2006, just under two thirds indicated that all or part of their "Choosing Health" funds had been diverted from sexual health services. The professional body, the British Association for Sexual Health and HIV, advises that most of the "Choosing Health" funding has been diverted to alternative causes unrelated to sexual health, notably paying off PCT financial deficits.

There has, however, been a welcome focus on GUM clinics in recent years. A target was set for March 2008 that all patients should be offered an appointment within 48 hours of contacting a GUM service, and by August this year 86 per cent. of patients in England were being offered an appointment within 48 hours. I ask my right hon. Friend to consider retaining the target for a further three years, as it is vital that the progress in improving GUM services is sustained. Quite apart from the direct benefits of improved access, the target also serves to focus primary care trusts on sexual health—an area that we know might otherwise drop down the agenda.

In the early days, a positive HIV test was a death sentence. From the mid-1990s, however, the lives of people with HIV have been transformed by highly active antiretroviral therapy. An emerging issue in the past year or so has been whether financial constraints within the NHS have had an effect upon the availability of drugs. The organisations representing the main providers of sexual health and HIV services in England conduct an annual survey of primary care trusts and clinicians. In the 2006 survey, participants were asked whether their organisation had restricted prescribing of any specific HIV medications or tests because of cost. Of those that answered, 13 per cent. said that there had been restrictions, and 22 per cent. said that there had not been any yet, but that discussions had taken place. The authors conclude that that represented a significant move towards drug rationing within HIV services, and was of serious concern. I would be grateful for any insight that my right hon. Friend has on those findings.

Of course, not everybody in the UK is allowed free treatment. People who are not recognised as being entitled to be in this country do not have the right to ongoing treatment on the NHS. That includes people who have been refused asylum but who are allowed to stay because they cannot return to their own country. The Terence Higgins Trust and the National AIDS Trust each report that pregnant women with HIV have been refused free treatment to prevent transmission to their unborn baby. People with TB or other sexually transmitted infections receive free treatment, but if they also have HIV they can be billed for their HIV treatment. The Terence Higgins Trust reports that people have consequently walked out in the middle of their TB treatment, creating a public health risk.

My right hon. Friend will be aware of the recommendation from the Joint Committee on Human Rights that HIV be included with all other sexually transmitted infections that are exempt from charging. I support that call. Quite apart from the compelling humanitarian argument, it seems likely that the costs of allowing those people HIV treatment is unlikely substantially to exceed the cost of treating them on an emergency basis, as we do now when they succumb to HIV-related illnesses. The Government are conducting a review of foreign nationals' access to the NHS, and I urge them to consider allowing such people access to HIV treatment.

The approach of World AIDS day makes this an opportune time to discuss HIV and AIDS-related matters. The independent advisory group is leading a review into the Government's current strategy on sexual health and HIV, and there is widespread support for the view that once the review is published Ministers should go ahead

and consult on a new strategy. I am grateful to have had the opportunity to put to my right hon. Friend some of the issues concerning HIV and AIDS in the UK today, and very much look forward to hearing her thoughts on those important questions.

4.57 pm

The Minister of State, Department of Health (Dawn Primarolo): I start by expressing my gratitude to my right hon. Friend the Member for Edinburgh, East (Dr. Strang) for initiating this important debate, and I pay tribute to his continuing interest in HIV both nationally and internationally. He mentioned his sponsorship of the private Member's Bill that went on to become law as the AIDS (Control) Act 1987. That set out reporting and monitoring requirements for the NHS at a time when there were no effective treatments, and when today's detailed surveillance and monitoring were in their infancy.

Let me address the points that my right hon. Friend made on that Act. With his extensive knowledge, he will recognise that the understanding of HIV is now much greater than when he introduced the Bill that led to that Act, which was at a time when the nature of HIV transmission routes was unclear. In prevention, we now focus on the particular sections of our community that are most at risk: gay men and African communities—the groups most at risk of sexual transmission of HIV.

My right hon. Friend referred also to the investments that have been made in relation to HIV and AIDS and sexually transmitted infections. He will realise that in the early days, the mass advertising that was necessary—both on television and in leaflets—was far more expensive. We now have very focused delivery of treatments. He also mentioned ring-fencing. He has followed the subject closely, so he will know that funds that were previously ring-fenced for prevention are now in the baseline for the national health service, and have been since 2002. Later in my remarks, I shall indicate the huge benefits that that has provided.

I am sure that my right hon. Friend would agree that it is important that World AIDS day, in three days' time, gives us an opportunity to take stock of achievements, while recognising that we need to do more, as he rightly said. Last week, two major HIV reports were published: one is from the UN on the global picture and the other is the Health Protection Agency's 2006 annual report on HIV and other sexually transmitted infections. Both make sobering reading. Despite global estimates having been revised downwards, the UNAIDS figures are still shocking, with 33.2 million people estimated to be living with HIV in 2007, 2.5 million new HIV diagnoses and 2.1 million deaths.

However, if we examine the situation in the UK, we have reason to be proud of our successes during the very long period for which my right hon. Friend has been following this issue. Deaths among HIV-infected persons fell from 749 in 1997 to 497 in 2006. That is a direct result of ART—antiretroviral therapy. AIDS diagnoses dropped from 1,080 in 1997 to 666 in 2006. Introducing routine HIV screening for all pregnant women has been a success. Today, 90 per cent. of HIV-infected women, up from 70 per cent. in 1999, are diagnosed before delivery, enabling treatment to be given to prevent HIV transmission to the child.

The offer and acceptance of HIV testing in sexual health clinics is now much more widespread. In all United Kingdom genito-urinary medicine clinics, voluntary confidential testing for HIV among men who have sex with men increased from 61 per cent. in 2001 to 85 per cent. in 2006. In heterosexuals, take-up increased from 41 per cent. in 2001 to 72 per cent. in 2006.

The huge success in screening people and therefore in identifying those at risk is the start of the answer to the question that my right hon. Friend posed about the information that it is now necessary to collect to inform treatment. I want to come on to that. Clearly, improving access to GUM clinics has been a top priority for the national health service. In September, 88 per cent. of patients were offered an appointment to be seen within 48 hours, up from 45 per cent. in May 2005. There is clear evidence that early access to services facilitates quicker diagnosis of infections, including HIV, and can break the cycle of onward transmission.

My right hon. Friend touched on the need to ensure proper education and access to counselling in our education system, including schools. He may have touched on the Ofsted report published in January 2005. The Department continues to provide funding for teachers and community nurses, who contribute to the provision of advice and support for our young people. We are developing specialist teams to improve their ability to ensure that such advice is clearly provided, but I recognise my right hon. Friend's point that it is important to do more and, working with the Department for Children, Schools and Families, we are ensuring that that collaboration takes place.

As my right hon. Friend said, however, we still face significant challenges. I want to deal with those and some of the other points that he raised. Last Friday, the Health Protection Agency published "Testing Times", its HIV and sexually transmitted infection report for 2006. It reported that although overall, the number of new HIV diagnoses appeared to be stabilising, they were still increasing in gay men. They remain the group most at risk of HIV transmission in the UK. Once all the reports for 2006 are received, the HPA expects a figure of 2,700 for new diagnoses among gay men in 2006.

To take forward the work on prevention and promotion of information that my right hon. Friend clearly identified as very important, we have to understand to whom exactly we are directing our messages and support. Our response involves looking specifically, although not exclusively, at the groups at highest risk; we are recognising the higher-risk groups. Those are gay men and African communities, who continue to bear the brunt of HIV in the UK and remain the focus of our national health promotion work. During the past two years, we have strengthened our national response by investing an additional £2 million in work by the Terrence Higgins Trust and the African HIV Policy Network. For African communities, we are working on interventions to increase awareness of the benefits of HIV testing and the importance of using condoms. We are working to achieve consensus on prevention priorities, as well as strengthening the evidence base for HIV health promotion in African communities in England.

My right hon. Friend recognises that, through that work, we are trying to ensure that we are using our resources to maximum effect to get information to those who need it. He will appreciate that the issue that

[Dawn Primarolo]

we are still seeking to address in particular is late diagnosis. I am referring to people who either are unaware of their infection or are not coming forward for testing. However, we have made considerable progress on testing and we need to continue to invest in that.

My right hon. Friend touched on the question of automatic entitlement to free HIV treatment in the UK. HIV treatment is not included in the list of treatments exempt from charges under regulations. As he knows, people who are illegally here have no automatic right to free HIV treatment, but I am sure that he would acknowledge that that does not include asylum seekers, who do receive NHS services, including HIV treatment, without charge, and that treatment is not withdrawn from people whose asylum applications subsequently fail. They will continue to receive that treatment. Guidance on charging provides a number of safeguards specifically for maternity services and immediately necessary treatment, which is always based on clinical decisions. I am aware of the reports to which my right hon. Friend referred. There are difficult issues in this area, but I am sure that he would agree that all those who are ordinarily resident in the UK are entitled to access the treatment.

In conclusion, the action to prevent and address HIV in the UK continues to be a priority for the Department of Health. We have very good treatment outcomes for HIV and some of our health promotion work has been used as a model in other countries. However, we recognise the continuing challenges posed by HIV and sexual health. We are determined to continue to focus and prioritise the resources on that important matter. We are working with the expert advisory group on AIDS and the independent advisory group on sexual health and AIDS. As my right hon. Friend rightly said, we are undertaking a review of our strategies in consultation with others to ensure that we continue to take forward those measures.

We have made a great deal of progress since my right hon. Friend introduced his Bill. We are much clearer about the treatments that are available, about ensuring that we get advice through to the right people and about supporting those people. There is more to do, but as we approach World AIDS day we can be satisfied with the progress that we have made. I hope that my right hon. Friend agrees with that conclusion.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Five o'clock.

Westminster Hall

Thursday 29 November 2007

[SIR JOHN BUTTERFILL *in the Chair*]

Post Office Restructuring

[Relevant documents: Third Report from the Trade and Industry Committee, Session 2006-07, Stamp of Approval? Restructuring the Post Office Network, HC 276, Eighth Report and Seventh Special Report from the Trade and Industry Committee, Session 2006-07, on Restructuring the Post Office Network, HC 593, and Restructuring the Post Office Network: Government Response to the Committee's Eighth Report, HC 1083.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Blizzard.]*

Sir John Butterfill (in the Chair): A huge number of Members wish to speak in the debate, of whom no fewer than 15 have already advised me of their wish to speak. We have three hours, and the Minister and Front-Bench spokesmen will need at least 15 minutes each to respond to the debate. If Members wish to help their colleagues to get in, they will need to be tolerably brief in their contributions.

2.31 pm

Peter Luff (Mid-Worcestershire) (Con): It is a great pleasure that the swansong debate of the Select Committee on Trade and Industry, now the Select Committee on Business, Enterprise and Regulatory Reform, should be so popular. I am informed by the Speaker's Office that this is the most popular ever Westminster Hall debate on a Select Committee report, so I shall try to be brief in my opening remarks. It may help the House to know that I intend to waive my right to reply at the end, unless the Minister sits down before the formal end of our proceedings. That will enable him to deal with interventions from colleagues on all sides of the House.

The new Select Committee will launch an inquiry early in the new year into the progress of the post office closure process. We will have hearings, probably in late January or early February, and will revisit the process then, because this matter is obviously of deep concern to many colleagues.

When the Committee produced the report, there were 14,263 post offices—8,000 fewer outlets than in 1979 and 4,000 fewer than in 1997. The National Federation of Sub-Postmasters reminds me, in its helpful brief, that the network is bigger than the major bank and building society networks combined. Its very strength is its depth and reach, and although the Committee has reluctantly gone along with the Government's target of 2,500 closures, I am still concerned that that depth and reach are threatened by the closure programme. It is worth remembering that those 2,500 further closures, which will reduce the network by a further 18 per cent., are ones for which sub-postmasters will be compensated.

Mr. Peter Bone (Wellingborough) (Con): Will my hon. Friend give way?

Peter Luff: Of course, I shall give way to my former colleague on the Committee.

Mr. Bone: I regret that I shall not be serving on the new Committee, which I should have liked to have done. I wonder whether my hon. Friend can explain the following situation to me. In Little Harrowden, in my constituency, the sub-postmasters, John and Muriel, want to continue their profitable business. They do not receive any subsidies, yet they are being closed down. Some 150 villagers attended a public meeting about it last night, and there will be a march of protest. Is there any chance for it?

Sir John Butterfill (in the Chair): Order. Interventions must be brief, particularly in these circumstances.

Peter Luff: I rather suspect that that question was meant more for the Minister than for me. First, let me say how much we miss my hon. Friend on the Committee. He made an outstanding contribution to its work and I was as surprised and disappointed as anyone else when he was removed from it. Its number has been reduced from 14 to 11, so that is why; it was not a punishment.

My hon. Friend makes an important point. It still is not clear to me what commercial criteria are being applied to the closure of individual offices. I know that colleagues on both sides of the House share this concern. It seems as though commercially viable offices are sometimes being closed in preference to less viable offices.

Mrs. Maria Miller (Basingstoke) (Con): Will my hon. Friend give way?

Peter Luff: I am not surprised to hear from my hon. Friend.

Mrs. Miller: I thank my hon. Friend for giving way on that point. He may be aware that the two post offices proposed for closure in my constituency are our two top-performing post offices. Does he find that surprising?

Peter Luff: I do indeed. Without pre-judging the Committee's inquiry, that is one of the issues that we want to look at in the new year. Clearly, it seems strange to punish the sub-postmasters or mistresses of vibrant and commercially successful offices for their success.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I apologise to you, Sir John, and other hon. Members, because I have an event in my constituency at 5 pm and will not be here to hear the concluding part of the debate. May I offer the hon. Gentleman another example along the same lines? The Trafalgar street post office has the highest number of customers of any sub-post office in my constituency, yet is one of the four selected for closure. Does he agree that there seems to be no rhyme or reason to that?

Peter Luff: I wear a strictly bipartisan hat today. I sit on the Opposition side of the House, but I represent an all-party Committee. All that I will say is that the post office business has a difficult task in finding the 2,500 closures that the Government have demanded. I have been told that the number could be plus or minus 10 or 20 either way, but they have required and requested 2,500 closures. That is likely to lead to some difficult

[Peter Luff]

decisions. That figure seemed suspiciously round to our Committee. As we said in the report, we do not understand how the figure was arrived at. I strongly suspect that it is a Treasury-driven figure rather than a network-driven one. I hope that the Government will show more flexibility as they go through the processes and find offices, such as those that have been mentioned, which genuinely need to be kept open.

Mr. John Horam (Orpington) (Con): My hon. Friend goes to the heart of the matter. How was the 2,500 figure arrived at and how much flexibility is there in it? If we are stuck with that figure, does it mean that one post office will be competing against another, rather than on whether it should survive?

Peter Luff: That is exactly what is happening. One post office is, indeed, competing against another, which is often regrettable.

Mr. Mike Weir (Angus) (SNP): Will the hon. Gentleman give way?

Peter Luff: I am approximately one third of the way down my first of nine pages, but I give way with pleasure to my hon. Friend on the Committee.

Mr. Weir: I thank the hon. Gentleman. Is the situation not even worse than that? People who have campaigned against post office closures have been told that if they save a post office in their area, another one in that area is then immediately targeted. What is the point of a consultation in those circumstances?

Peter Luff: I agree. Speaking as someone whose constituency comes at the tail end of this process, I am very concerned that every time an extra office is squeezed in, the Hereford and Worcester area loses its flexibility to save an office, so we might be really stuffed. I think that a number of people in the west midlands share that concern.

Mr. Oliver Letwin (West Dorset) (Con) *rose—*

Mr. Nigel Waterson (Eastbourne) (Con) *rose—*

Peter Luff: Can I make a tiny bit of progress and finish my thought? Then I shall give way again, I promise.

The attendance at this debate shows how very serious this issue is, and we are talking only about compensated closures. We must also face the key issue of what will happen after the uncompensated closures that will surely come as a result of retirements and other processes. We must always remind ourselves how vital post offices are to the communities they serve, particularly in rural and deprived urban areas, which do not feature enough in public debates on this issue. Post offices are often the only place where cash can be obtained. The Government rightly talk about financial inclusion, but there is no more basic element of financial inclusion than getting cash, and post offices are often the only place where one can get it. Now, to whom did I say I would give way next?

Mr. Waterson: My hon. Friend is being very generous. May I give him an example from my constituency, in which five post offices are threatened with closure? One of them, in Willingdon village, is popular, makes money and was refurbished only a few years ago at a cost of £40,000. The postmaster, Andrea Etwell, is keen to keep it going, so what is the logic of shutting it down?

Peter Luff: I must say that I am ignorant on that point. Surely the compensation costs will be higher for closing such offices; that should be of some concern to the Minister.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman mentioned the issue of rural versus suburban, let alone urban. The social network payment, which we welcome, was invented to support the rural network. Even with the very least ambition, that will now be spread much thinner. Does the hon. Gentleman agree that it is wrong to invent something and then fundamentally change it? Within that budget, money was set aside for reinventing post offices that needed refurbishing. If we lose that money, we lose the Post Office completely.

Peter Luff: I am very happy to agree with the hon. Gentleman. I shall return to that matter in more detail if I am able to get there within a reasonable time.

Mr. Letwin: Will my hon. Friend give way?

Peter Luff: Sir John, I shall give way to everyone who wishes to make a point, because I think it is only fair, given the importance of the subject.

Mr. Letwin: Does my hon. Friend recognise that the discussions about which post offices should be closed down create envy for some of us? My sub-postmasters have no idea which one is to be closed down, and we have recently been informed that we are not going to be told for months to come. Does he realise that that is causing severe dislocation?

Peter Luff: I do indeed. My right hon. Friend anticipates something that I intend to speak about shortly in my remarks, if I can get there. I shall make one more point from my script, and then I shall give way again.

Another issue that concerned me greatly over the summer was the apparent attempt to gag sub-postmasters. In effect, they were not allowed to campaign for their own future. I have had a comprehensive apology from the managing director of Post Office Ltd for that, but, as I wrote in reply to his apology—I have had no further response—I find it difficult to understand why such threats found their way "by accident" into important communications with sub-postmasters. I believe that the company realised how disastrous would be the idea of mystery shoppers checking up on what sub-postmasters were saying, but it was a deliberate policy. The Post Office appears to have backtracked on it, but it has left a legacy of fear in the minds of many sub-postmasters.

Jeremy Wright (Rugby and Kenilworth) (Con): On the consultation, did my hon. Friend see in the press over the weekend reports of a list of post offices intended to be closed in several counties? The list accidentally included several other counties, including Warwickshire, and several post offices in my

constituency, including one in Kenilworth. Does he agree that it would be disgraceful if decisions had already been taken, in some cases before consultation has even begun?

Peter Luff: I agree with my hon. Friend. In fact, I find it difficult to understand how the Post Office can approach its job without having a rough idea of which offices it will actually close. That is why I have a great deal of sympathy with what my right hon. Friend the Member for West Dorset (Mr. Letwin) said about the issue. There are significant variations in the reduction outlets listed in plans that have been published so far, ranging between 18 per cent. in the east midlands and 10 per cent. in North Yorkshire. The Post Office must know roughly what it plans to do, otherwise it could not hit the Government-imposed target of 2,500. I fundamentally share the concerns of my hon. Friend the Member for Rugby and Kenilworth, (Jeremy Wright).

Mr. Russell Brown (Dumfries and Galloway) (Lab): I am just seeking clarification. The hon. Member for Wellingborough (Mr. Bone) said that the sub-post office that is to close in his constituency is profitable, and the hon. Member for Eastbourne (Mr. Waterson) said that one of his sub-post offices makes money. Is the hon. Member for Mid-Worcestershire (Peter Luff) able to say how they got that information? I am not aware that it comes out in the public domain.

Peter Luff: The hon. Gentleman is absolutely right. Sub-postmasters themselves know how much money they make. It is fair to say that there are some extremely successful sub-post offices. They make considerable sums of money for their owners who, I should add, work hard to earn that money. Equally, there are some marginal and less than marginal sub-post offices. I anticipate that the Minister's response will be what I believe he said in this place on Tuesday during a smaller debate on the same subject. That is, that the network as a whole loses money and that there are costs in supporting the whole network, so that even an office that makes money for its proprietor might lose money for the network. I understand that he has to juggle such issues. The only way of getting such information is by relying on information from sub-postmasters themselves. I may be wrong, but that is the only information source of which I am aware.

Mr. James Arbuthnot (North-East Hampshire) (Con): My hon. Friend had reached a point in his speech, if he can remember that far back, when he was dealing with the importance to the local community of post offices. I wonder whether there is a disconnect between some of the Government's policies in other Departments and the policy on post offices. For example, in Passfield in my constituency, some sheltered housing was given permission to be built only because it would be close to a rural network shop and local post office. If that post office were to close, as is threatened, would the sheltered housing also have to close, given how important the post office is to it?

Peter Luff: My right hon. Friend makes an extremely powerful point. Indeed, the regional spatial strategy plan revisions going on at present around the country suggest that many new houses will be built in parts of the country where post offices are probably about to close. The issue that he raises so powerfully on behalf of his constituents has a wider policy resonance, and I entirely share his concern.

The network change programme—I wish it were instead called the national closure programme, which is a much more honest phrase—has begun in earnest. It began in three areas on 2 October. My own area is last.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will the hon. Gentleman give way?

Peter Luff: I was about to make a point about my own constituency, but I shall give way.

David Taylor: I am not sure whether it is an advantage to be last in the process, because I think that when the Chairman of the Select Committee gets the branch access reports for the sub-post offices that are slated for closure, he will be disappointed by the cursory data that exist therein. In fact, as far as I can see, no weight is given to the fact that a post office that is slated for closure is the last shop in the village. Of the 25 post offices in North-West Leicestershire, just two are slated for closure, and one of them is the last shop in the village. The decision to close it is not sensible, to put it mildly. We need a more transparent process and fuller calculations.

Peter Luff: I am grateful to the hon. Gentleman for making that important point. I cannot say that I am looking forward to receiving the reports—they are clearly inadequate—but I am grateful for his information.

My own consultation process has been profoundly flawed. Bizarrely, Worcestershire has been put in with the black country as a coherent geographical entity, which I do not understand at all. I have had some strange correspondence with Post Office Counters and the Minister about the location of Bromsgrove and Redditch, which the Post Office seems to think are not in Worcestershire but in the west midlands. I have not been able to put that right yet, and even the Minister's most recent letter of 13 October repeated the same mistake and said that they were part of the west midlands. The Post Office's grasp of geography does not give one great confidence, never mind anything else.

I also do not yet know the schedule for my consultation period. Originally, the process was due to begin in mid-July and run precisely for the period of the school holidays, which was just about the worst and most idiotic time to have a major consultation. I went on to the website at the weekend and discovered that the date had been moved to late August. My researcher rang up the network consultation team yesterday but could not get through. She was eventually told to send an e-mail, which has been acknowledged as a response to the consultation, not as a request for further information. The consultation team cannot even tell us when the consultation will begin. That does not give me great confidence in the consultation and communications procedures being used by the Post Office. I do not necessarily blame it for that. We always thought that this was an ambitious closure programme and a tight time scale, and I am sure that its resources are being stretched thin by the process.

Sandra Gidley (Romsey) (LD): Does the hon. Gentleman share my concern that some of my proposed closures are close to the Wiltshire border, although we do not yet know what will happen in Wiltshire? There seems to be a divide-and-rule strategy—this is closure by attrition. We are lucky to have a groundswell of feeling in this Chamber, but the Post Office has been very crafty in not providing full information.

Peter Luff: The hon. Lady is absolutely right. In my own case, consultations for Gloucestershire and Oxfordshire will begin very soon, whereas my area has been left until August. When I wrote to the Post Office to object to being included with the black country rather than Gloucestershire, I was told that the consultation could not cross regional boundaries. Actually, Gloucestershire and Oxfordshire are in two different regions for the purposes of Government office definitions. The Post Office really does not seem to know what it is doing, and that worries me. The hon. Lady is absolutely right to be concerned.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Will the hon. Gentleman give way?

Peter Luff: Yes, I will give way, but I am looking around and may have to stop giving way soon.

Danny Alexander: I am grateful to the hon. Gentleman for giving way. He referred to the timing of the consultation process. It is planned that the closures in the highlands will be announced at the beginning of January and that the consultation will take place in January, February and March, the three coldest months of the year when there is snow and ice on the roads of the country's most remote and geographically isolated region. Does the hon. Gentleman think that that is a sensible way of trying to get the public involved and responding to the consultation, or does it sound more like something that has been constructed to stop people getting involved?

Peter Luff: Winter in the highlands and school holidays in Worcestershire sound equally mad to me.

David Lepper: Will the hon. Gentleman give way?

Peter Luff: No, I shall stop giving way for a while now. I have to make some progress, as I have a series of questions to ask.

Sir John Butterfill (in the Chair): Order, May I just say that the hon. Gentleman has given way 15 times, I believe, and that he will not be able to make any progress—nor will the rest of us—if this continues? May I ask people to constrain themselves and to intervene only once, except in dire emergencies?

Peter Luff: That is absolutely right. I did say that I would stop giving way, but I promised before the debate to give way to my hon. Friend the Member for Rayleigh (Mr. Francois). If he still wants me to give way to him, I will happily do so.

Mr. Mark Francois (Rayleigh) (Con): I thank my hon. Friend. I am campaigning to save the Chase post office in Rayleigh. In that context, I replied to the national consultation team both by e-mail and with a hard copy in the post. It is as well that I did, because the hard copy that I sent in the post was recently returned to me, unopened and still in the envelope. The envelope is addressed:

"National Consultation Team

Freepost Consultation Team",

which is exactly what we were told to do. Someone has ringed the address and put a question mark beside it. It is a little depressing that even the Royal Mail and the Post Office cannot deliver a reply to consultation on post office closures through their own system. Does my hon. Friend agree that that further undermines the credibility of what is already a creaky consultation exercise?

Peter Luff: I hope that you understand, Sir John, why I was prepared to give way to my hon. Friend. The Post Office has a lot to answer for in that example. You could not make it up.

Five consultation exercises have ended, and the first final closure decisions are due next week. Will the Minister confirm when those decisions will be released? Written questions to the Department on the closure plan are being directed to the Post Office, but those replies are not being put in *Hansard*, or deposited in the Library. For the sake of an open and transparent process, could such correspondence please be deposited in the Library?

There are questions about the purdah period, and I suspect that some of my colleagues may wish to ask them in a slightly more partisan spirit. I have looked at the Cabinet Office guidelines, and I am puzzled by the decision to suspend the consultation during local elections, which we knew were going to happen when the timetable was arranged.

I am worried—this is a conspiracy theory—that the Post Office might be setting post offices up as Aunt Sallies to focus campaigning activities on one post office and to distract from others. I take an interest in the Hampshire process because my in-laws live in the New Forest, and I have spoken to my hon. Friends the Members for New Forest, East (Dr. Lewis), and for New Forest, West (Mr. Swayne). Coincidentally, they have both expressed regret that other important engagements prevent them from being here today. My hon. Friend the Member for New Forest, East highlighted Bramshaw post office, which I know well. If that closes, people living in the village will have to walk a mile down a dangerous road to Cadnam, which is impossible to do safely and securely. Almost exactly the same is happening in Tiptoe, which is in the constituency of my hon. Friend the Member for New Forest, West. Again, it is an isolated village, and people living there will have an almost impossible walk.

I would not be surprised if the Post Office reprieved those two post offices, and if they were set up to focus opposition, because closing them would be crazy. I know both areas well, particularly Bramshaw, and I hope very much that those post offices remain open. I know exactly the objections that my hon. Friends have made, and they are well founded in fact.

The access criteria and flexibility that underpin the new process—a minimum proportion of the population must live within a given distance from a post office or outreach point—will see reductions in access from current levels. I welcome the Government's amendment of the

original access criteria to provide greater flexibility in taking account of public transport—that is not apparent in Bramshaw and Tiptoe—alternative access, local demography, local economic impact, and so on. I also welcome the widening of the coverage from 10 per cent. most deprived areas to 15 per cent., which was a sensible change. The provisions relating to Scotland are broadly welcome to my hon. Friends in Scotland.

My only concern is about the proposed outreach offices, some of which are already working. Does the Minister believe that two hours a week are sufficient for an outreach facility? I am not convinced that that is a meaningful service to offer to a community, however it is offered.

Sandra Gidley: Will the hon. Gentleman give way?

Peter Luff: No, I must plough on, unless an hon. Member who has not intervened does so. I apologise for that. I would love to give way, but other hon. Members want to speak.

Turning to Postwatch, I have expressed concern that the 18-month programme was too demanding for the Post Office. The Committee has repeatedly said that the six-week consultation period is too short. Cabinet Office guidelines should have been followed, and the consultation period should have been 12 weeks to enable local communities and local councils—parish, district, county and unitary—to consider the matter as part of their cycle of meetings. I know that they are involved before the formal consultation begins, but public consideration is now limited to six weeks, which is not enough. Some councils do not meet that often, particularly when their councillors are volunteers—for example, parish councils—who need time to consider these complicated matters. I welcome the 11 weeks of pre-consultation, which is good, but the public consultation is too short.

Postwatch is playing a valuable role in that short period. It looks likely that it will not now be merged with the National Consumer Council during the closure programme period. Will the Minister confirm that Postwatch is reprieved until the end of next year, and that it will continue to make its valuable contribution to consultations on local closure issues?

I would be interested to know what evidence there is to show that the Post Office is listening. I have expressed my concern about Aunt Sallies—that some post offices will be removed from the process and others will be put in—and that is something that the Committee wants to look at carefully. I do not believe that the Post Office's plan for every closure will be perfect first time round. Evidence of change to the original proposals is important to justify the consultation process.

As I approach the end of my comments, I turn to my most important point. I have discussed the difference between unplanned and uncompensated closures and the planned and compensated ones that are part of this programme. Unplanned closures could leave holes in the new network. The Government's research in 2000 showed that numerical access criteria, such as that which has been adopted, could see coverage levels maintained if a high proportion of outlets closed. Now that coverage levels are likely to be reduced, the clear implication is that further, unplanned, uncompensated closures could be sustained by the network while meeting the access criteria that the Government have laid down. They claim that 12,000 outlets are sustainable, but there is no compulsion to replace post offices that close in future, as long as the access criteria continue to be met. Indeed, the Minister said in this very place this week that access criteria

"offer some certainty for the future, which will help to ensure reasonable access to the network in both urban and rural areas."—[*Official Report, Westminster Hall*, 27 November 2007; Vol. 468, c. 49WH.]

I emphasise "some" certainty.

I would like to see an update of the performance and innovation unit's 2000 report on the consequences of those access criteria, but that has not been delivered. Bald assertions that the national network will be maintained are not good enough, and the Committee again calls for a statement on exactly how that will happen. We have pressed the point, but we have still not received a satisfactory response. How small could the network be while still meeting the access criteria?

Kate Hoey (Vauxhall) (Lab): I thank my hon. Friend—he is a friend—for the excellent report that we have in front of us. Did he or any member of his Committee at the end of the process understand the reason for the 2,500 figure? Does his Committee agree that it would have been better to have obtained the criteria and the reasons, and then gone for genuine consultation? Does he agree that it seems to everyone that everything was decided in advance, that that is what will happen whatever we say today, and that 2,500 will be the future for no real reason?

Peter Luff: As always, the hon. Lady makes a powerful and important point, and I can only agree with her.

I shall rush through my remaining questions to give hon. Members a chance to make their contributions. Will the Minister outline progress on Commission approval for the £1.7 billion support package for 2007-11? We welcome the pledge in principle to continue the social network payment beyond 2011, which is now enshrined in Government promises. However, another £750 million in the package has not been properly explained, so will the Minister clarify what the rest of the state aid package is? Can he confirm the view that has been expressed here that the network subsidy scheme will spread the subsidy more thinly, because it now covers urban and rural post offices, whereas it previously covered only rural? A modest request is to ask him whether he will please at least commit to ensure that support will rise in line with inflation during the period that it applies.

Briefly, we do not want a permanently subsidised network; we want a viable network that stands on its own feet, and that is common ground on both sides. The Post Office Ltd business needs more imagination and entrepreneurialism than it has shown so far. To be fair, the new managing director, Alan Cook, is doing precisely that, and I welcome many of his initiatives, such as that on life assurance, and the effective TV advertising campaign, but I am concerned about the inhibitions still being placed on sub-postmasters and what they can do in their own shops.

There are sharp issues concerning Paypoint. Many of my constituents were upset to lose the ability to go to their post office to pay their television licence, for example. There are some difficult issues, and Royal Mail Group has taken a one-sided approach.

[Peter Luff]

Another important point—the last one before I sit down—is to ask the Minister to bring us up to date with the Post Office card account tendering process. What is going on? We remain disappointed by the apparently limited functionality that the new card will offer. At least the mistakes could be corrected, which was not so with the original Post Office card account. This is a big opportunity to bring big new custom to the Post Office, but that opportunity is not being seized. I hope that the tenders offer some imaginative ideas, and I hope that the Post Office tender will win. We must recognise the risk that it may not do so. The loss of the Post Office card account to the network would be a devastating, perhaps even fatal, blow.

I have raised many questions for the Minister, and I have spoken for far longer than I wanted—I suspect that my speech has lasted as long as I planned, but responses to interventions took up more time. I shall repeat this one question: how big can the network be and still meet the Government's access criteria? This is the first stage, I fear, of a continuing process by which there will be more and more closures. The Government can hide behind the access criteria and say simply, "We are meeting our criteria and we do not have to plug the gap," but that would be very serious indeed. The fundamental strength of the network—its size, depth, breadth and reach—gives it a great deal of power in the marketplace. I am grateful to hon. Members for their constructive contributions and I look forward to the rest of the debate.

Several hon. Members *rose—*

Sir John Butterfill (in the Chair): Order, May I make a plea, yet again, for brevity? I am going to have difficulty accommodating those who have written to me to say that they wish to contribute, let alone all hon. Members who rose.

3 pm

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I congratulate the hon. Member for Mid-Worcestershire (Peter Luff) on the debate.

I go back to this question: how can one close profitable businesses? It makes no sense whatever to me. Perhaps the Minister will reflect in his winding-up speech on whether or why people cannot buy the franchise. My parish council would willingly put up money to buy out the post office. When I looked at franchises such as Starbucks, Costa Coffee, McDonald's and Kentucky Fried Chicken, I found it extraordinary that one can actually buy a franchise, do a deal and take the risk of its making money. Is there not something wrong with the fact that we cannot do that with post offices in our rural areas or semi-rural areas, such as my village of Rodmersham, whose post office is threatened with closure? So I think that there is another category, which I shall come to in a moment.

What is the real logic of closing profitable post offices when Crown post offices are crammed, even if the 2.5 mile geographical criterion is adhered to? In both Sheerness and Sittingbourne, there is not enough car parking, the queue extends outside of the offices and it can take up to 45 minutes before people are served. Will the Minister say how that is a 21st service? Clearly, it is not.

The more offices are closed, the bigger others become; they are managed worse, and there is a bigger issue. People will simply say that they cannot be bothered to go to them, and there will be a decline in the take at the main Crown post offices. I urge the Minister to return to thinking about the unclaimed assets from many pension funds and banks in the City that the Treasury is going to take. We want to set up social networks and to go a third way.

There is a third way, and we could lead the process in our own communities: we could ask for money from the social fund and from our parish council precepts and run the post office. Will the Minister say why we cannot do so? I do not see any logic and I cannot understand why the Government want to close down 2,500 profitable offices? It would be a different matter if they were unprofitable or running a deficit, but the three post offices in my constituency make money.

I am also concerned about how contracts are structured with sub-post offices. I believe that the structure makes no commercial sense and that the Post Office has missed a trick. People who run post offices receive a kind of salary, and a percentage for each piece of trade, which is a barmy way in which to run a business. It is not too late for the Government to say, honestly, that they have made a mistake. They could say just before the closures are announced, "Do you know what? There is a better way of organising this." They could make sub-post offices structures better. That is the main message that I want to send to the Minister.

I am personally sorry about the matter. If the post office in my village closes, it would mean the death of the village. It takes certain things to make a village: a cricket square, a church, a primary school and a post office. When one of those goes, the other three follow. It does not matter which goes first, it would mean the death of the community for 20 or 30 years. That is not what we are here to bring about. We are here to sustain communities, whether they are in semi-urban, semi-rural or rural areas.

There is a serious flaw in the 2.5 mile criterion. We are 2.3 miles from the main Crown post office and serve around 16 villages beyond Rodmersham. Is the Minister going to tell me that people are going to walk those distances? There is no bus service, so people in my village who are in their late 50s, 60s or 70s badly need a post office. They will not use public transport; there is none. The Government would be killing the community of which we feel so proud and which has lasted many hundreds of years.

In conclusion, I plead with the Minister to look at the third way, and to give us the opportunity to buy out the post office and run it ourselves.

Sir John Butterfill (in the Chair): That was an excellent example.

3.5 pm

Mr. Mike Weir (Angus) (SNP): I shall try to be as brief as the hon. Member for Sittingbourne and Sheppey (Derek Wyatt).

I served on the Committee that drew up the report, and we heard a great deal of evidence about the whole system. We were concerned about the 2,500 figure and why the Government came to it. There does not seem to

be any rhyme or reason to it, and it will lead to some perverse decisions. As I mentioned, in a campaign in Scotland when people lobbied against the closure of their post office, they were told that, if they were successful, another post office would close. That does not seem to be a logical stance. Presumably, the new target was accepted by the post offices to be necessary under the previous criteria, so why would it suddenly become unnecessary? That question needs to be revisited.

Mr. Arbuthnot: Is that not similar to the threatening tone of the letter that was sent in the summer to sub-postmasters about what they could say? The consultation has the same threatening tone by effectively saying, "If you save this post office, we will go for another of your post offices." That is worrying.

Mr. Weir: It is worrying, because it sets communities against one another in the plan, which is dangerous.

As was mentioned by the Chairman of the Committee, we were clear that the six-week consultation programme was insufficient and that it should have been at least 12 weeks. What happens if one post office is taken out of the plan during the consultation period and another put in? Whether there would be another six-week consultation process is not clear, so will the Minister make it so? It would be iniquitous, to say the least, if someone who used the second post office ended up with no consultation period whatever.

We also mentioned the question of local authorities. The report makes it clear that the Committee felt that the local authorities must have a significant input. In evidence, we made the point that, at least in Scotland, many local authorities work on a six-week rolling programme, so it is difficult for them to look at the consultation in the middle of such a period. In the Highland region, the consultation will come out in January. My colleagues who serve on Highland regional council have been trying to persuade the Post Office to give them an early indication of which post offices will be targeted, but it refuses to do so. The Post Office will conduct a consultation in the winter months, which will not work.

The Committee also made an important specific recommendation. The report states:

> "It is essential that the proposed restructuring does result in a sustainable network such that no further significant restructuring will be necessary for many years, with the network maintained even as sub-postmasters retire or resign in the future."

That point was taken up by the National Federation of SubPostmasters, but, sadly, such an aim will not be achieved by the programme, and I suspect that we will be back in the same position within a few years.

The fundamental difficulty with the process is that it merely follows on from the previous closure programmes and does not, despite the rhetoric, look at the overall network and how it should be rebalanced to meet the needs of communities throughout the country. It is aimed merely at reducing the network by 2,500, and the problem is that the current network has evolved piecemeal through unplanned closures in the past. The urban reinvention programme was a classic example: it was not really a programme, but an attempt to get rid of a large number of post offices, and it proceeded at times on the basis of having a large sum of money with which to close post offices and then asking which ones wanted to close.

The result is that there are areas with no post office service and other areas where offices are close to one another. One village in my constituency, Friokheim, lost its post office, but it should have kept it under previous criteria. To be fair to the Post Office, it tried to get someone to open a post office, but not surprisingly, given the uncertainty, it could not get anybody to do so. Under the new criteria, however, the village will no longer be entitled to a post office. I have raised with the Post Office the question whether the village would qualify for outreach services, but they are apparently being considered only for areas that do not meet the new criteria—the 38 excepted postcode districts. That is very short-sighted of the Post Office, and I continue to seek to persuade it to reconsider. Outreach services are not perfect, but they do retain some services in an area.

Elsewhere in my constituency, in the town of Forfar, the two remaining sub-post offices are very close to each other on one side of the town, but there is nothing on the other side. Under the proposals, however, one of those offices is likely to close. In the past, a more sensible solution would have been possible, with one office on each side of the town, but that will not be possible, because the programme looks only at closures.

The Committee made it clear in its recommendations that it is essential for a proper network to be maintained and that that will require not only incentives for sub-postmasters to move to offices where the need is greater, but the opening of new post offices, because large volumes of new house building around the country will result in significant changes in settlement patterns. That strengthens the case for a clearly defined policy on the opening of new post offices, but the programme does not offer that and is purely about closures in the existing network.

The other fundamental reason why we will not have a sustainable network relates to the way in which the excepted areas are dealt with. When the then Secretary of State appeared before the Committee, I pressed him on what would happen if there were unplanned closures in the excepted areas. My constituency contains one excepted area and shares another with a neighbouring constituency. Inevitably, there will be further unplanned closures when a postmaster dies or retires or simply decides that he wants to give up. However, I have been unable to get any real answers as to what will happen. I have pressed the Post Office on the issue, and I have been told that it will look at outreach services for such areas. However, if there is a closure in one of the excepted areas, where post offices should be retained, the service to the area will be diminished, even though such areas are already considered to have an inadequate service under the criteria that have been set down. That is unacceptable.

I do not want to take up too much time, although I could go on about many other issues, but financial inclusion has been mentioned. Postcomm has made the pertinent point that about 65 per cent. of rural communities have a post office, while only 10 per cent. have a bank branch. One result of the proposed changes, therefore, will be that the last outpost of financial services in many areas will go.

[Mr. Weir]

I also want to ask the Minister about the purdah. It suddenly appeared last week that some of the closures were being postponed because of the purdah period. When the closure programme was set up, we all knew when the local elections would be. Interestingly, when Alan Cook spoke to the Post Office group last week, he said that the purdah period had been mentioned to the Post Office only recently, and I wonder why it has suddenly leapt up at such a late stage.

To be fair to the Post Office, it is trying to move into other areas, although it is somewhat ironic that it has said that one of its saviours will be the move into telephony, which used to be part of the old General Post Office. However, the Post Office is trying to move into areas where the market is very crowded. We live in the age of uSwitch, when we are told to keep switching providers to get a better deal, but I am not convinced that the Post Office's proposals will be its salvation.

The real problem is that the Government insist on treating the Post Office as simply another commercial entity, which must be gradually weaned off the network subsidy. That is not realistic, and we should accept the need for continuing help from the Government to meet the social responsibilities that exist throughout the network, and particularly in rural areas.

3.14 pm

Mr. David Kidney (Stafford) (Lab): I was not a member of the Select Committee, but I see that it has recognised and accepted the changes in our society that justify a major rationalisation of the Post Office. In fact, paragraph 3 of the Committee's response to the Government's response says that:

"we accept the justification for the proposed major, systematic overhaul of the post office network".

I raised an eyebrow when it went on to say that:

"we simply wish that this necessary action had been undertaken earlier."

It seems, therefore, that the case for doing the work has been made.

Peter Luff: I read that paragraph last night when I was preparing for the debate, and it is open to misinterpretation, so I am not surprised that it has been mentioned. The Committee reluctantly accepted that there was a need to rationalise the network, given the Government's changes to the business being done by post offices. However, we wished that the Government, having crippled the network—that is a pejorative phrase, which a Committee Chairman should perhaps not use—had moved rather more quickly to address the situation systematically. None the less, we deeply regretted that we were in that situation in the first place.

Mr. Kidney: We all find it regrettable that there are millions fewer customers and millions of pounds of losses and that the network has become dependent on public subsidy. Indeed, it is now essential for the Government to make it clear that there will be a long-term subsidy into the future. As far as Post Office Ltd is concerned, a commercial network would have about 4,000 branches, but the Government and the Post Office together say that there will be a network of 12,000 branches. Clearly, the difference between the two—two thirds of the whole—can exist only because of the long-term payment of public subsidy.

The changes that have taken place are not entirely of the Government's making. We need only look at some of the business that has been withdrawn from post offices, in addition to the payment of pensions and benefits. In my area, councils are withdrawing the facility to pay council tax through the post office, while the BBC has withdrawn the facility to pay the TV licence. Many private sector organisations that serve the public are also pressing their customers to pay their bills by direct debit. It is right that we face up to the consequences of those changes and debate how we can have a proper and sustainable network for the future.

Mr. Russell Brown: On that point, the more business that disappears from Post Office Counters, the greater the potential for losses. That in turn means that the Post Office as a business will find it more and more difficult to compete with those who are trying to muscle in on the limited business that it still does.

Mr. Kidney: Yes, that is the unpalatable fact that we face. Let us all support the new management of Post Office Ltd in its ambition to increase the range of services at post offices and to make them relevant to today's way of living. I will make some suggestions about that in a moment.

I have listened to hon. Members' interventions and I, too, want to voice my dissatisfaction about the consultation process. That goes back to my experience of the urban reinvention programme in Stafford, where there were a number of closures. I could see the sense behind all but one of them and I did not object to them, but when I did object to one, I had the backing of the local community, the local council and Postwatch. None the less, Post Office Ltd would not listen or accept that it had got things wrong in that one case out of so many.

One of the most unattractive aspects of the closure of that post office, which was in a part of Stafford called Doxey, was that the sub-postmaster was willing to close it and take the compensation for going. That was a particularly unsatisfactory reason for choosing the post office for closure. That is why, when the then Secretary of State, now the Chancellor of the Exchequer, made a statement about the process on the Floor of the House on 14 December 2006, I asked him to confirm that it would not simply be a case of selecting post offices for closure on the basis of who volunteered to take the money. In fairness to my right hon. Friend, he did give me that reassurance, saying that

"some people who want to go might not be able to do so, as it is important to have a national network."—[*Official Report*, 14 December 2006; Vol. 454, c. 1034.]

That was confirmed in the Government's evidence to the Select Committee and in their response to the Committee's report.

The next unhappy event in Stafford was that the Crown post office was moved into a WH Smith store. Again, I have no confidence in the outcome of the consultation that took place. I can see the sense in moving a number of post offices to bright, town centre premises under the franchise agreement that Post Office Ltd made with WH Smith—indeed, the WH Smith store in Stafford is in the pedestrian area in the town

centre—but the commercial pressures on WH Smith were unfortunately such that it wanted to put the post office on the first floor of a building with a tiny lift. Previously, the lift had carried materials, but it was now proposed that it would carry people with buggies, children, pushchairs and motability scooters. No matter how hard I and the disability access group for Stafford, the council and Postwatch argued that the arrangement was not suitable, no account was taken of it. The move has taken place. So of course I look forward with trepidation to the start of the process in Staffordshire at the beginning of 2008.

Jo Swinson (East Dunbartonshire) (LD): I wanted to ask the hon. Gentleman whether his experience of the lack of consultation over the WH Smith move was like my experience; it seemed that things were almost being kept secret from people, apart from the fact that a few key politicians were written to. One of the most obvious places at which to consult seemed to me to be the current post office; there could have been a board up, and leaflets, saying "This is what we are planning." That did not seem to occur to those responsible. It was swept under the carpet and the move at Kirkintilloch happened just last week.

Mr. Kidney: No, I do not impugn the management's intentions; I believe that it was sincere in its consultations. Of course in a consultation all points of view will be listened to, but that does not mean that they will all be agreed to, so perhaps I am being a little unfair, although in both instances I thought that there was a strong case for a change of opinion.

We are now, locally, trying to get everyone ready for the preparation of the local area implementation plan. I have contacted all the councils and Postwatch; the community is alert to the fact that the process is about to start. I have asked the councils to get ready the kind of information that will supplement what Post Office Ltd will collect. Examples might include local geographical features that might be physical barriers to access, which appear on a plan to be within three miles of a post office—such as a river or a motorway. I have asked them to examine public transport access to show that there may not be a decent public transport service to the post office that it is proposed to retain, and to consider impending changes in circumstances, such as new housing developments that might change the picture very soon. In that way, the councils, the community council, Postwatch and I are as ready as we can be to deal with the consultation and for my third attempt to get Post Office Ltd to listen to a well made argument.

I observe the experiences of those who have already gone through this process, and I add my voice to those of hon. Members who have angrily asked the Minister how profitable post offices can be closed in this process. My hon. Friend may be able to comment on what people mean by "profitable", and explain that things are not as they seem. However, there is great concern in my area about the possibility that good-quality, profitable post offices may come into the frame for closure, simply because the access criteria could be met without them. I should not like that to happen. It is not economic common sense.

I have some suggestions for ways of helping post offices, including those with a shop in them. I am thinking both of those that will survive the cull but will still need support to succeed in the future, and of places that will lose their post office, but want the shop to stay open. I am grateful to the community council of Staffordshire, the Rural Shops Alliance and, in particular, its new chief executive, Ken Parsons, for their input into the four suggestions that I have to make. By way of an introduction I want to point out that in Staffordshire, most rural post offices, at least, are part of a sole village shop, and that a closure of the local post office could lead to the closure of the shop. For many of those shops the post office income is between a quarter and a half of their income. Although my introduction is about rural areas, my suggestions apply equally to urban areas.

First, I would like more support for shopkeepers and post office managers. They need support to show that the Government, the council and the community are on their side. They need help to rebuild morale and give them hope for a sustainable future. In a moment I shall suggest some practical support that we need to give them, but that is not all they need; they need to know that there is a will that they should survive and prosper.

The second of my suggestions is access to consultancy advice, independent of Post Office Ltd. However good the new management is, I do not think that its members are the people to give advice to post office managers and shopkeepers about the future of their businesses. Of course, for those who lose their post office, so that the shop where it is located is at risk of closure, such consultancy is particularly important. I should like a commitment from the Minister to a right to have access to free consultancy in those cases. In my dealings with the regional development agency and the regional business link, during which I have been trying to obtain an assurance that such consultancy advice will be available, I have been unable to get a straight answer. Will the Minister step in and make it clear that that would be an entitlement, and clarify where the payment for the consultancy would come from? The consultancy help is needed on extending the range of services to cover, for example, parcel post, if the post office is lost, as well as cash withdrawals, bill payment, and changing demands for things such as phone cards. It is needed also in relation to increasing footfall through softer services, such as a social hub, a meeting place, and support for vulnerable people.

The third suggestion concerns grant support. Perhaps for some people that would be match funded, but should not we help people to keep their businesses up to date in areas where there is a social as well as a commercial need for their survival? Aspects of that approach include converting space into new retail space, making shop alterations and adding new fittings that are beyond the owner's means. There was, previously, a similar scheme called the community services grant scheme, operated by the Countryside Agency. Will the Minister confirm that there will be something similar in future?

My hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) mentioned the fourth of my suggestions. If a full-blown private enterprise village shop and post office will not be possible, can we give communities support to explore other ways of running their village shop, through a social enterprise, a co-operative or some other community effort? There are about 170 community-run shops nationwide already.

[Mr. Kidney]

Local authorities are well placed to be real partners in providing this help. In particular, I want to point out the success of the local authority business growth initiative. It seems to make sense for councils to make use of some of the income that they receive from the promotion of new businesses, to help businesses in areas of stress—particularly in rural areas. Ultimately, the responsibility is the Government's to co-ordinate support from councils, community councils, regional development agencies, Business Link and different Departments. I ask the Minister to make sure that that co-ordination is given.

I am waiting to hear the result of the Office of Fair Trading investigation into newspaper and magazine distribution, which also has an important impact on small shop businesses of the kind that I am talking about. This is a matter not just of economic development but of social inclusion. It is worth fighting for social inclusion and I hope that the Minister thinks so too.

3.20 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for Stafford (Mr. Kidney), who made some perfectly valid points about economic and social changes, which are reducing the footfall in post offices, and ended with some positive suggestions about how one might increase turnover. I commend my hon. Friend the Member for Mid-Worcestershire (Peter Luff) and the Select Committee on their report, and on their diligence and persistence. They did exactly what a Select Committee should do—hence the attendance at this debate. Indeed, one could argue that this, rather than the one being held in the Chamber, is today's topical debate.

I declare an interest: 35 years ago I was economic adviser to the Post Office, which generated me a modest entitlement to an occupational pension, which I declare.

The house names of Hampshire villages tell a story. The Old Station house marks where Dr. Beeching visited us; the Old School house marks the retreat of the village school; the Old Rectory marks the retreat of the Church of England. In my constituency we now increasingly have houses called the Old Post Office. We have one in my village. The Government can say that the process did not begin in 1997—and they are right. In North-West Hampshire we face the prospect of losing, within six months, more than a quarter of our remaining post offices. That is a tremendous shock to the system—a disproportionate and, I believe, wholly indefensible hit. That is roughly twice as many as the national average.

I have had the same dialogue with Mr. Nickolls at the Post Office that I expect other hon. Members have had. He is the executioner of the programme. He has made it clear that if I secure a reprieve in one place, there will be a fresh conviction elsewhere. It is quite clear that the target is 2,500. There are some very perverse results. Ashford Hill lost its conventional post office 10 years ago, and it was relocated to the back of the pub, the Ship. People can go in and ask Reg Rabbetts for a pint of lager and a book of stamps. It is a popular facility, in a village with no bus service. That is now being held out as the model—outreach—but it is now proposed to close the post office at the back of the pub.

Sandra Gidley: The right hon. Gentleman mentioned outreach. Does he share my concern that the branch access reports have been produced for branches that have been recommended for full closure, but that we do not have the same, albeit limited, information for those for which outreach is proposed? It is very difficult to make the relevant comparisons.

Sir George Young: I take the hon. Lady's point, which brings me to St. Mary Bourne, a resourceful village that raised money and built a village shop and post office 10 years ago. That is a community shop of exactly the type that has been mentioned, but it is now going to be closed. Outreach has been negotiated, which means that the post office will remain in the same shop, but the strong room in which the post office was located must be destroyed and relocated, at some cost, alongside the counter. Nevertheless, Mr. Rod Sutcliffe has negotiated a skilful and successful outreach deal. I have also had a petition from a small and popular rural post office in Linkenholt and another from the post office in St Giles road in Tadley. I visited all the post offices except one. One post office, has, at the Post Office's request, spent a large sum investing in a strong room: it completed that about a year ago but is now about to be closed.

Two neighbouring villages—Goodworth Clatford and Anna Valley—are going to lose their post offices. If I had to single out an example, although it is invidious to do so because I do not think that any of these post offices should close, the most effective campaign has been run by Goodworth Clatford, where Richard Green has headed a successful campaign called SOCPO: Save Our Clatford Post Office.

Taking up the point made by the hon. Member for Sittingbourne and Sheppey (Derek Wyatt) and the hon. Member for Stafford, my point is this: two of the three local authorities in my local area are interested in saving the post offices. I have had a dialogue with Mr. Nickolls and asked whether, if the local authority wants to rescue a post office, this can be done. The answer was that it is difficult but, in theory, yes. Perhaps the local authorities place a higher value on keeping these institutions going than do the Government. Can local authorities find the information that they need from the Post Office? No. They need to know how much they have to put in to keep the post office open, but they cannot get that information.

I hope that we get at least one thing out of this debate: the Minister should instruct the Post Office that, where a parish, district or county council, in good faith, wants to open negotiations with the Post Office to keep a post office open, it should be given the necessary information. If the Government are serious about devolving decision making and empowering local communities, it would be monstrous if a centrally driven programme led to the closure of popular local institutions, even though local people were prepared to put up the money so that the Government were not out of pocket.

I hope that the Minister will at least accede to that request so that negotiations can get under way to stop the unnecessary closure of successful and popular post offices.

3.32 pm

Mr. Alan Reid (Argyll and Bute) (LD): I congratulate the Trade and Industry Committee on its excellent series of reports on the future of the post office network.

I want to concentrate on the current round of closures. The Committee is right to say that the consultation period should have been 12 weeks, as set out in the Cabinet Office guidelines, instead of six. One example of why we need a longer consultation period is the post office at Kirn in my constituency, which is one of those on the closure list.

Echoing what the right hon. Member for North-West Hampshire (Sir George Young) said, the financial information has to be given to groups that want to try to keep their local post office open. In Kirn, that is not the local council, but a local community group called EnviroKirn, which wants to submit a proposal to run the post office as a community business. However, EnviroKirn has been told by the Post Office that it would have to submit detailed financial proposals within the six-week consultation period, which is clearly nowhere near enough time. In their response to the public consultation, the Government said:

> "We will also expect Post Office Ltd to engage constructively with groups who present a viable case for community ownership in those circumstances."

In EnviroKirn, we have a bona fide, well established community group that has advanced a proposal to take over and run its local post office as a community business. I hope that the Government will speak to Post Office Ltd and encourage it to engage constructively with EnviroKirn so that we can check that it is advancing a community business proposal that stacks up and is financially sound. I hope that that proposal will be considered seriously by the Post Office.

Kirn, a village just outside the town of Dunoon, is an example of how the closure of many local post offices would have a severe impact on the local economy. The closure of Kirn post office will, as well as forcing pensioners to travel to the main post office in Dunoon, seriously damage the viability of the other shops in the village, because people collect their pensions and benefits in the village post office and spend much of the cash in the shops round about. However, if Kirn post office is closed, people will be forced to travel to the main post office in a supermarket in Dunoon.

Exactly the same arguments apply to the Hillfoot street post office on the other side of Dunoon, where the local post office is also under threat of closure and is surrounded by local shops. Closing Kirn and Hillfoot street post offices will mean people collecting their pensions and benefits in the main post office in the supermarket and, having been forced to travel there, they will inevitably spend their money in the supermarket, meaning that the profits from the money they spend will go out of the town rather than being collected by local shops and re-circulated in the community.

Mr. Brown: I am listening closely to what the hon. Gentleman is saying. Can I just draw to his attention the following example? Some two or three years ago, when Safeway supermarkets were taken over by Morrisons, Morrisons decided that it wanted every single post office out of its premises. There was a major campaign in Dumfries in my constituency to oppose that. I discovered from inquiring into what was happening that more than 50 per cent. of the business that was being transacted through that supermarket was, in effect, business from outlying villages. People came to the supermarkets: they did not use the sub-post office in their village, but went to the supermarket. The advantage of the post office coming out of the supermarket was that it drove people back to the villages.

Mr. Reid: The hon. Gentleman makes a good point. If the only post office is in a supermarket, it is taking money away from local shops. However, it is important to note that supermarkets get taken over by other companies and that can have knock-on effects.

The same arguments that apply to Dunoon apply to Campbeltown, where two of the town's three post offices are on the hit list and the only remaining post office is in a supermarket. Pensioners will have further to go to collect their pension, local businesses will suffer and there are also doubts—as in Dunoon—about whether the remaining post office will be able to cope, because there are often long queues. Closing two of the three post offices in the town will obviously add to the queues. I doubt whether the Post Office has done serious analysis on whether the remaining post office can cope.

In Helensburgh, another town in my constituency, the East Princes street post office, a very busy and profitable business, is on the hit list. I cannot see how closing it makes any sense. Helensburgh has a population of more than 10,000 and is therefore considered as urban under the Government's definition, under which 95 per cent. of the total urban population of the UK must be within 1 mile of a post office. Yet closing East Princes street post office will leave a large proportion of the east end of Helensburgh more than a mile from the town's main post office. I am not sure whether the Post Office is aware of it, but there are plans for substantial extra house building at the east end of the town, meaning that a much greater proportion of the town's population will be more than 1 mile away.

Jo Swinson: On nonsensical urban post office closures, may I draw my hon. Friend's attention to Kelvindale post office in Glasgow, which the Post Office asked the Postmaster General to take on just 18 months ago and which is nearly half an hour's walk from any of the alternatives? A great campaign run by Katy Gordon has collected more than 700 signatures against that. Does that not show that the Post Office has not done its homework on these closures?

Mr. Reid: I am grateful for that intervention. I agree with my hon. Friend, in that I have severe doubts about the homework that the Post Office has done.

Closing the post office in East Princes street will mean that pensioners have to travel to the main post office instead. That will be inconvenient for them and will mean the loss of the social value that a small local post office brings. Also, I do not see where the financial benefits to the taxpayer will come from in closing that profitable business. The main post office struggles to cope at present. Clearly, extra staff will have to be recruited there to replace the staff who will be made redundant at East Princes street, so there will be no saving in staff costs.

[Mr. Alan Reid]

The Post Office consultation document suggests that, because pensioners have free bus travel, they will not have to incur any extra expense taking the bus to the main post office. However, the taxpayer clearly picks up the bill for those extra bus journeys. Surely the cost to the taxpayer of the extra bus journeys for every pensioner who collects their pension at a post office must outweigh the cost of paying the pension through their local post office. I ask the Government to take all those extra costs into account before proceeding with the closure programme. I hope that the Post Office will take on board all the points that I have made and will keep some of or all the post offices on the hit list open.

The Select Committee report makes excellent points about the future of the network after the closure programme. Even if post offices are not compulsorily closed, unplanned closures will inevitably happen unless the Government give the remaining post offices enough business to make them profitable, and of course unplanned closures will lead to the Government's access criteria no longer being met.

As the report notes, the future of the Post Office card account is vital. It should be extended to include simple functions such as making cash deposits. In fact, POCA should be developed into a basic bank account. That is the route that the post office has gone down in France and Germany, and I urge the Government to go down it in this country. A Post Office bank account would make the network sustainable because of the network's wide reach and high level of public recognition and trust. Making the Post Office into a bank would enable the Government to meet their own objectives of financial inclusion. I urge the Government to adopt the Post Office bank solution, as I believe that it is the only way to make the post office network viable in the long term.

3.42 pm

Ms Celia Barlow (Hove) (Lab): Our local communities are the bedrock on which our wider society is formed. Hove and Portslade, which I represent, are fortunate to have a strong sense of local community, the cornerstone of which is often to be found on the local high street. Those pockets of small independent traders provide so much more than just a local facility at the end of people's roads; they provide a means through which a local community can interact and bond with one another. Faces that become familiar over time soon become friends. In turn, those who are more able look out for those who are less so. The very existence of small independent traders binds the local community together, which in turn fosters strong and enduring local relations.

I am aware that my hon. Friend the Minister is not responsible for the closure of individual post offices, but his Department has been responsible for the criteria on which post offices are to close. That is what I would like clarification on. He has kindly agreed to meet me and local traders on 13 December, for which I thank him.

The Richardson road area of shops in Hove consists solely of independent shopkeepers. The existence of that parade of shops represents much more than that to local residents. Indeed, a local writer, Christopher Hawtree, has described it as a nook and a village. The consultation on the closure of post offices specifies that among the criteria that need to be taken into consideration is the impact of closure on local trade. How much weight would the Minister put on those economic factors, and how would the Post Office assess that impact, which is far from clear?

The shopkeepers consider themselves the backbone of the local community, providing a truly personal service to the surrounding area. Local residents can purchase all the necessities of everyday life there. At the centre of those facilities is the local post office, which faces the prospect of closure. That would, I believe, mean the gradual break-up of a group of independent businesses that, although independent from mainstream commercial ownership, are completely dependent on one another for their sustainability.

The local butcher, John O'Connell, born and brought up in the area, said:

"It is disgusting that the Post Office is closing."

He said that the Post Office should be taken over by the Government. The baker, Clayton Morris, of Upper Crust sandwich shop, said:

"The Post Office closure will create a negative impact on the small but busy business community in Richardson road, including my own."

Kevin Moffatt, the florist, said:

"The closure would rip the community apart as the Post Office is a vital life line".

All those traders are terrified of the impact of the closure of their local facility.

Demographics are supposed to be an issue, and many residents in the immediate area are elderly people who find the prospect of travel, even over a relatively short distance, daunting. The alternative post offices suggested are both across busy roads. Many local residents are senior citizens for whom an extended journey to the post office of even half a mile would be very problematic. For those of limited mobility, a bus journey could prove difficult and the cost of a taxi prohibitive. It seems unfair that those with physical disadvantages or disability should be deprived of access to what is seen by many to be an essential service.

The Government have placed a distance limit on the closure of post offices, which seems a sound idea. However, due to the high density of housing in my constituency, a large proportion of my constituents do not own cars. Is the Post Office looking into that? If demographics are a consideration, as they are supposed to be, should not the age and mobility of users of the post office be taken into consideration or at least investigated? As well as relying on the post office for their pensions, many elderly residents who are not online see it as their only link to family and friends who have moved away.

We have already seen for ourselves the devastating effects that large supermarkets have had on local high streets throughout the country. We are fortunate in Hove and Portslade that despite rapidly expanding numbers of supermarkets, we have managed to maintain our independent local shopping areas and a sustainable community, which I believe should be upheld. Independent businesses are interdependent in a way that our larger supermarkets simply are not. We have seen all too often

in recent years the domino effect that occurs when a key business is removed from the local infrastructure. Streets that once were bustling and the heart of a community become unsustainable as residents move further afield for the services that they need. I wonder whether sustainability should also be a major criterion.

To the west of my constituency, we face the closure of another local post office. The Trafalgar road post office lies within a diverse local community with a very strong sense of identity. It has been run by the Patel family as part of their convenience store for about 20 years. Were that post office to close also, not only would many have to travel much further afield to buy a stamp, but there would be a decline in the businesses in the area. However, that is not my major concern about Trafalgar road, though it is that of my constituents.

My major concern is that, when I had a meeting with Post Office Ltd regarding the possible closure of my two local post offices, it said that it was unaware that a planning application had been passed for the Frank Gehry-designed King Alfred site a very short distance away, which includes 650 flats and is supposed to be finished within three years. I suspect that the Post Office is also unaware that part of the South East England development agency plan is to build 10,000 new homes at Shoreham harbour, for which the post office to which I am referring would be the closest local post office.

I echo the comments of the hon. Member for Argyll and Bute (Mr. Reid): exactly how were those decisions made? It is fair enough to say that it is the job of the MP and the local people to import this issue into the consultation process, but a decision had already been made, before it even got to us, that those were the post offices that the Post Office felt were appropriate for closure. I feel that there is a lack of transparency about the commercial decisions made. I am unaware of exactly why the Post Office has chosen to close, for example, the Richardson Road post office. That should also be part of the consultation process. We should be given all the information, including financial information, from the Post Office, before these decisions are made.

3.49 pm

Mr. John Horam (Orpington) (Con): I too shall keep my remarks brief, not only so that other people can speak but to give the Minister maximum time to reply, as he will need his full entitlement to answer the many points made, and I do not want to curtail his opportunity to respond. I thank my hon. Friend the Member for Mid-Worcestershire (Peter Luff), who must be gratified by the response to his report and to this debate.

I shall mention an area of the country that has not yet been mentioned: London. The Minister might be interested to know that last week the Greater London Forum for the Elderly held a meeting in Committee Room 14 that focused solely on the issue of post offices. Interestingly, talking about that one issue brought out almost every other issue one can think of concerning elderly people in London.

The meeting was packed out with angry elderly people from the London area, many of whom must have been Labour supporters. Their concern was about what would happen. As evidenced in my constituency, where we had five closures during the last round of post office reconstruction, what happens is simple. Most of the sub-post offices that hon. Members are discussing are the keystone in a local parade of shops. Just as when the last shop in a small village closes the village begins to wind down, when the important shop in a parade of shops closes, the parade begins to lose support. People do not go there any longer, and it becomes decrepit.

Suburban areas are becoming decrepit and run-down as a consequence of such developments in post offices and elsewhere. That difficulty is the first consequence of the closure of a post office—often a profitable post office. I admit that three of the five closed post offices that I mentioned were not profitable, but the other two were.

As a consequence, the local parade loses support. Older people must make the journey to the Crown post office in the high street, which then becomes overused. Anyone who goes into Orpington high street will invariably see a huge queue outside the only Crown post office. It is a consequence of the closure of sub-post offices in the immediate area. That has a knock-on effect. As the hon. Member for Hove (Ms Barlow) said, it has a considerable effect on the sustainability of residential areas, even in large or stand-alone cities such as Hove and Brighton. It is consequently understandable that the matter should be of concern not just in rural areas such as the highlands of Scotland but in densely populated areas. I wish that the Minister would take that into account.

I was struck by the remarks of the hon. Member for Sittingbourne and Sheppey (Derek Wyatt), who is no longer here. I thought that he showed a positive and an entrepreneurial approach. The hon. Member for Stafford (Mr. Kidney) was also constructive in his four points showing how we could help, and my right hon. Friend the Member for North-West Hampshire (Sir George Young) made the point that to respond to the needs of local people, we need information. Information is power, and power is being withheld from us. If we empowered local communities, we could make a difference.

As my hon. Friend the Member for Mid-Worcestershire said in his opening remarks, this is the biggest turnout for any debate ever held in Westminster Hall. I hope that the Minister, rather than just allowing the Post Office to plough on in this way, will recognise that this debate reflects feeling throughout the country. I hope that he will stop for a moment, reflect and take back those strong feelings to the Post Office. It is surely possible to respond more positively to this undoubtedly difficult situation. We do not deny that it is difficult or that there has been a loss of footfall and all the rest of it, but we need something other than a negative, cost-cutting, close-them-down approach. It must be possible to do something sensible.

I believe, as my hon. Friend said, that we have a remarkable asset in the post office network. Post offices number more than all the bank outlets in the country. That is astonishing. If we cannot keep them going in some form and with some imagination, we are failing the country, and that will redound very badly on this Government.

3.54 pm

Mr. Russell Brown (Dumfries and Galloway) (Lab): I shall be brief. I wish to share with colleagues the experiences in my constituency after a rural postal pilot

[Mr. Russell Brown]

that ran from September 2005 to 2006. We have a major challenge before us. We are dealing with a historic network that grew over many years. As I showed earlier when I intervened on the hon. Member for Argyll and Bute (Mr. Reid), people in today's world conduct their business differently. It was astonishing to discover that, despite the fact that their village still had a rural post office, people chose not to use it because it was more convenient to use the facility in the supermarket when they did their shopping. The way that people conduct their business creates a constant battle.

Initially, during the rural postal pilot in my constituency—the outreach or hub and spoke system, as it was described—there were some difficulties with the computer equipment and intermittent disruption to service in the three village shops, which was managed by a sub-postmistress from the town of Castle Douglas. There was great anger in one of the villages. I attended a public meeting last January and was deeply concerned that the whole system might fall apart, but there was good intent. The hours of three village sub-post offices were being cut by 50 per cent. to about eight to 10 hours a week, and they were trying to juggle the hours so the sub-postmistress who managed the system could do so on different days.

I was anxious at the beginning, but it has settled down. My hon. Friend the Minister has been to view the system in operation. At the public meeting last January, people were demanding that the sub-post office open on a Saturday morning. It was ironic. A woman who had run the post office with her husband some time before got up and said, "It's a pity that no one wanted to use the sub-post office on a Saturday morning when we were running the business and shop." People have genuine concerns, but their genuine commitment is also important. That is why—somewhat tongue in cheek—I asked the Minister responsible during the last session of questions to the Department for Business, Enterprise and Regulatory Reform, "How many of us in this Chamber will use our sub-post offices when we reach retirement age and our state pension is paid into a Post Office card account?" We must give a commitment as individuals and communities to use those facilities.

The outreach system has been relatively successful. Another recent experience—perhaps it relates to the point made by my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt)—came from a small village in my constituency that was probably under serious threat. Another sub-postmistress in a larger town some 7 miles away decided to employ the gentleman in the shop that held the sub-post office for that village. He does not work for the Post Office; he works for her. As a direct result, that post office is open every minute that the shop is open. If the shop is open 30 hours a week, the sub-post office is open 30 hours a week. He is employed by the sub-postmistress. For all intents and purposes, it is a franchise.

In another initiative in my constituency, a group of people have come together in an attractive small village to develop a facility to re-establish their post office. It will happen on 11, 12 and 13 December. It is a major initiative being undertaken by local people.

I turn to the subject of Crown post offices or directly managed services. As I said earlier, I wonder whether some of these businesses are making money. I ask because the directly managed post office in Dumfries closed about 18 months ago. It was perceived to be a very busy post office, with people constantly queuing—I mean no disrespect to the staff, who were working very hard—but a business decision was made by Post Office Ltd that it should be closed. Despite the fact that everyone saw it as being a busy post office, I was astonished when Post Office Ltd made me aware of its annual losses. I therefore say to my colleagues that being busy does not mean being profitable, because additional costs lie within.

I thank you, Sir John, for allowing me to contribute to the debate and to share my thoughts. There are ways forward. I have given a commitment to my constituents, because the changes will happen next summer in my area. If the service is under threat, but people can make a commitment to use it, we should explore all the opportunities that might arise through delivering it in a different form. We are all beginning to recognise that standing still is not an option. We need to think outside the box when deciding how to provide those services in future.

4.1 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I congratulate my hon. Friend the Member for Mid-Worcestershire (Peter Luff), the Chairman of the Select Committee, on an excellent and timely report that is of vital interest to all in the House.

It is not new for the House to examine the subject. Indeed, not that long ago, I found myself in the same position that my hon. Friend the Member for Wealden (Charles Hendry) now finds himself in, expecting to find a way to reflect the deep anxiety that the Government now face because of the serious local consequences that result from their decisions.

We are in the thick of it in Cheshire, as we speak. The outreach proposals were quickly taken up by our local newspapers. They are not particularly partisan, and christened them the outrage proposals. There is deep anxiety. People have a fantastic respect for the services that local post offices currently provide in our local communities. When one represents both a mixture of rural and urban areas, including towns, one is conscious of the great adaptability of post offices; the way in which they offer their services is the apex of what it means today to have a community centre. For that reason, post offices have been doing their best to increase their footfall and to be commercial and entrepreneurial.

When one looks at the maps sent to us all when such great processes descend upon us, it is interesting to note how flawed and somewhat self-serving the data appear to be. From what has been said already—not least by my right hon. Friend the Member for North-West Hampshire (Sir George Young), when he spoke of the fear factor that has crept in, which was also mentioned by my right hon. Friend the Member for West Dorset (Mr. Letwin)—there is a real sense of divide and rule, with sub-postmasters and sub-postmistresses having to set themselves up against people whom they had thought of as colleagues working to produce a service across the country.

I am therefore pleased that, in our campaign in Cheshire, we have been able to defeat those divide-and-rule tactics, and I pay respect to my colleagues. Edward Timpson is working in Crewe and Nantwich, where we are fighting two potential closures in each town; Graham Evans is in Weaver Vale, where we are fighting a closure near Frodsham; and in Chester, Stephen Mosley is fighting six potential closures at Aldford, Brook lane, Brook street, Christleton, Handbridge and Watergate street. I thank my hon. Friend the Member for Wealden for visiting Chester recently to support that active campaign.

It is important to recognise that it is not only those post offices proposed for closure that are profitable. Those currently proposed for outreach are also profitable, but the arrangements are such that it could tip them into loss. The grave danger is that the outreach programme could be a self-fulfilling prophesy—from postponement through outreach of what was originally meant to be a closure, to potential closure because the economic base of those post offices is being undermined.

In my constituency, Hargrave and Meadow Bank post offices are proposed for closure. Unfortunately, it seems that closure will now proceed. However, we have six post offices on the outreach programme: Cholmondeley post office, in the fantastic award-winning farm complex of which the post office is the absolute driver and which was hugely supported two years ago by the Post Office; Delamere; Little Budworth; Threapwood; and Tilston. I visited three of them last Friday. They are all profitable. Indeed, picking up on a point made by the hon. Member for Dumfries and Galloway (Mr. Brown), the owner at Threapwood has trained her assistant so that the post office can be open all the time. If it is to be restricted to a maximum of four hours a week, it will not justify the extra job, yet it could be kept open the whole time on the same basis as the post office in the hon. Gentleman's constituency.

At the moment, we have an inflexibility in the discussions and consultations, which is not proving productive and is causing distrust. I am deeply concerned about the flawed data that we have been given to help us make rational decisions when trying to meet some of the arguments being put out by the Post Office. My constituency has borders with Wales, now regarded by those doing the Government's bidding as a completely different country, and by a different region because my southern border is the regional border with the west midlands. As a result, I have no data about a post office that is only 200 ft away from the post office in my constituency that is being considered for closure. It is a short distance across a Roman bridge across the River Dee to get to into Wales and the business would therefore go to the other post office, yet we do not know whether it is being proposed for closure. We do not know what will happen in Shropshire; looking at the dates, it seems that we will have finished our programme by the time Shropshire is scheduled to start. It is clearly a dysfunctional process.

The grave danger from the point of view of those affected—the local communities, customers and people in general—is that the outcome is a foregone conclusion. We have described over many debates the sense of community and belonging that post offices provide and the access to services that they give to people. We fear that the consultation is designed by the end rather than as a means for the Government genuinely to listen within the democratic process. That matters, because when we talk about the community, we are dealing with the democratic process. It should not be a crude, blunt commercial decision. Post offices belong to the sense of community, as has often been highlighted. I believe that the fear factor, with the appalling confidentiality constraints placed upon sub-postmasters and sub-postmistresses, has led to the belief that the intention is to bring to an end any kind of objection.

We could have many arguments about the evidence base, but my real concern is what the Post Office has to say. For instance, it wrote in November to the estate manager at Cholmondeley post office:

> "London Mayoral elections, and Local Authority Elections in England Wales, will be held in May 2008. As you will be aware, the closure of any Post Office can be highly sensitive and can potentially become a local political issue."

That is dead right, Minister. It continued:

> "For that reason, we have been asked by Government to introduce a freeze on some elements on the Network Change Programme during the run up to these elections. Specifically, we shall not be running any public consultations, nor making any final closure decisions, in the period immediately prior to elections from April 7th to May 2nd next year."

It is too late. I can tell the Minister that a big political issue is already going on. For those who already despise the Government that is no change; but the Government are adding to the list of people who despise them for forcing upon them a decision with no evidence base for a programme of 2,500 closures. They will put that at the Government's door.

The Minister, waiting to answer the debate on a Select Committee report, owes it not only to all those Members who are deeply concerned and who are campaigning on behalf of their constituents, but to the people, as part of the democratic process, to identify where the 2,500—a perfect number—came from, what was the evidence base and why it should be a major benefit to local people, rather than a further diminution of their sense of what is owed to them as members of the local community.

I urge the Minister—it is within his gift—to recognise that the best thing to do is to withdraw the 2,500 demand and say that we need to think again. It is a political issue, not a commercial one. The Minister cannot wash his hands of the matter, hiding behind the Post Office or setting up a citizens jury, saying, "It's not me, guv, it's someone else's problem." It is to do with the people that he is required to represent through the Executive. The Executive have made the demand; it is the Executive who have caused the difficulties. We call upon the Minister to withdraw the 2,500 closure programme, so that we can think again. We could then be more rational and sensible of what is valuable to our communities.

4.9 pm

Mrs. Maria Miller (Basingstoke) (Con): I welcome the Committee's report and the work that it has done. I was privileged to be a member of the Trade and Industry Committee, albeit briefly, under the chairmanship of my hon. Friend the Member for Mid-Worcestershire (Peter Luff). A number of the concerns that were raised in the report have already been borne out in practice in my constituency, but I want to focus my remarks on three specific areas.

[Mrs. Maria Miller]

My first point concerns the overall number of closures, which has been mentioned by several hon. Members but which I want to address in a little more detail. The report questioned how the target of 2,500 closures was established, and the Government response said that that was the minimum number of closures required to get the network back on a stable footing and to ensure the continuation of a national network. When I consider my own constituency, however, I wonder whether the target is perhaps driving some unintended consequences.

Over the past five years in Basingstoke, we have already seen a quarter of our branches close as part of various previous programmes, and the new closure programme seems sure to mean further cuts, perhaps in an attempt to reach the 2,500 target. We might see two closures, which would leave us with just 14 branches in total. Previous cuts involved closures of underperforming branches, but I understand from my local postmasters that the two that are proposed for closure—Kings Furlong and Old Basing—are two of the top-performing branches in the region.

Is the Minister content that the target-driven approach means that the Post Office is running the risk of losing not just branches that are not financially viable but those that have added value to the network over the years? The documentation is really unclear as to what account has been taken of business viability, so will the Minister address that?

Secondly, the report rightly identifies that the proposed access criteria do little to anticipate future network shrinkage. We are all acutely aware of the difficulties that many small businesses can experience in sustaining themselves, particularly in the case of the sort of small shop from which post offices are often run, and there is a real lack of detail on how that issue will be dealt with in future. I have had first-hand experience of that problem in my constituency. One of the post offices that is earmarked for closure is coincidentally situated in a store that is currently up for sale. The hon. Member for Stafford (Mr. Kidney) picked up, I think, on the point that assurances have been given that those post offices that are up for sale will not automatically be designated for closure. I have been reassured by the Post Office that potential sale was not one of the criteria for identifying that particular office for closure, but it is up for closure none the less. I have been informed that it is entirely possible that the branch will be reprieved and remain open, but it is difficult to square that with the fact that the shopkeeper himself might be looking to close the branch, which would leave the community without the facilities that it previously provided.

Fortunately, a very tenacious Old Basing resident, Mrs. Onnalee Cubbitt, has run an excellent campaign to keep the Old Basing branch open not just for the benefit of that village but for the benefit of the villages of Mapledurwell, Up Nately and Newnam. She has identified an alternative local shopkeeper who would be very willing to take over the sub-post office; he is in fact a sub-postmaster elsewhere in my constituency. How will the Post Office square that? If it decides to keep the Old Basing office open, will it pay the costs of transferring the business to the new sub-postmaster? Likewise, in other areas of the country, how will it monitor natural shrinkage and wastage and ensure that new post offices are open to cover the voids that will invariably appear?

Let me turn to access criteria. The report notes that it is really not clear how they were determined. I might add that it is unclear how they have been applied. The only data made available by the Post Office are those for the branches that are to be closed. I have spoken directly to the consultation team and, although it took some three weeks for them to reply, which I have to say was deeply disappointing given the shortness of the consultation period, I eventually obtained clarification that it was impossible to review any data for neighbouring branches. It is impossible, therefore, for those who wish actively to participate in the consultation to assess whether the criteria have been fairly applied.

Basingstoke, which is an urban area, has a relatively high population density, and has just 16 post offices, so for the magic 2,500 target to be achieved, choices have to be made on which branch in my community should close. In the case of the Kings Furlong, a branch run by Mr. Buttress has been earmarked for closure in preference to a nearby branch situated in one of the newsagents owned by the Martin McColl chain. Mr. Buttress is an independent operator who, I understand, has built up and invested in a highly successful and thriving branch over 30 years, yet his branch is facing closure, rather than another that is just under 2 miles away. Is that because it is near the Martin McColl branch or because his operation is less viable than one run by a chain? I cannot be sure, because we have not seen the relevant criteria. Are the Government content that that lack of clarity over criteria could lead to some believing that national chains could have an advantage over independents, even if the independent offers better value and service for the community?

Another issue of access relates to public transport. As we are all well aware, public transport in many of our constituencies is a moving feast. That is certainly true in Hampshire, where huge pressure on county council budgets means that we experience regular cuts to both urban and rural services. If public transport is a critical access criterion, how will the Post Office monitor the changes in public transport access that communities experience not just every 10 years but on a yearly basis?

Let me again draw from an example in my own constituency. The Post Office was completely unaware of the proposals by Hampshire county council to cut bus services between Old Basing and the nearest alternative post office, in Chineham. As a result of action by the local council, the proposed cuts are being reviewed, but that is a short-term measure and there could still be vulnerability in future. How will the Post Office monitor that situation and respond to changing patterns of public transport on a national basis—a consideration that will become increasingly important as the network becomes stretched?

There is tremendous scope for the Post Office to be far more open in its consultation, so that those who want to be involved in the procedure feel that it is more than just for show and might benefit their communities.

4.18 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a pleasure to take part in the debate, not least because it is the most populous debate ever to have

taken place in this debating chamber. I congratulate my hon. Friend the Member for Mid-Worcestershire (Peter Luff), the Chairman of the Committee, together with hon. Members from all parts of the House who have contributed to the debate.

I am sure that the Minister will answer many of the points that have been made. What has come out again and again from each contribution, however, is that there are more and more questions about the way in which the consultation and the closure programme are happening and about the implications for our communities. It might seem to hon. Members that it is distant days since we were promised that we had a new beginning and a new Government, who would consider things afresh. Let us nevertheless take those promises, however tired and distant they now seem, and ask the Minister to use that sense of renewal and reconsider the proposal to order 2,500 post office closures—an order that was made at the highest level by the current Chancellor, who was previously the Secretary of State at the Department.

We have heard from both sides of the House about the implications of the closures, and I hope that the Minister will leave the door open to a reconsideration of their impact, particularly given how they work in practice. I represent Beverley and Holderness, which is a rural area with an older-than-average population. Some 18 per cent. of its population is over 65, compared with the 15 per cent. national average, and many people live in isolated rural communities with a less-than-ideal public transport network. Against that backdrop, the post office closures seem all the more ill-advised.

The communities that I represent have had to put up with a lot over the last 10 years—I am not making a partisan, political point. Members here have been involved with me in debates on community hospitals. They are critical and yet the practice hours of minor injuries units have been cut, as too have the number of beds in local hospitals. Our local primary care trust has proposed to close every bed in Hornsea cottage hospital. The post office closures will deal a further blow to vulnerable rural communities, which want the Government to recognise their problems and provide support, especially now that the Government are under new direction and prepared to consider issues anew.

The Government's restructuring programme has not been kind to the East Riding, in which my constituency sits. The latter has seen four proposed closures: in Hollym near Withernsea, in Mappleton near Hornsea, in Lockington near Beverley and in Grovehill road in Beverley. All are earmarked for closure, except for the post office in Lockington the opening hours of which will go from 20 hours a week to four hours a week outreach. I think that the Minister would accept that that is not an adequate or proper substitute.

There are all sorts of problems in the areas around my constituency. In Haltemprice and Howden, the Kirkella post office is threatened with closure. I would like to congratulate my right hon. Friend the Member for Haltemprice and Howden (David Davis) on his efforts in fighting that, as well as the thousands of people who have signed petitions and the hundreds of people who have written to the Post Office in the hope that this is a genuine consultation that could lead to change.

I congratulate my neighbour to the north, my right hon. Friend the Member for East Yorkshire (Mr. Knight). He has one post office threatened with closure, and five threatened with downgrades. In Brigg and Goole, one post office is threatened with closure and four are threatened with downgrading. I congratulate campaigners there as well, led by Andrew Percy, on their efforts fighting for post offices such as Westfield avenue post office in Goole. Across the Humber bridge, in Cleethorpes, three are threatened. I also congratulate local campaigners there who contacted me following my efforts in Beverley, and Mr. Martin Vickers who presented a petition on behalf of the Fleetgate branch in Barton.

Across the political divide and my whole area, the impact of post office closures is recognised as severe and has led communities to come out strongly to try and save post offices. During the six-week consultation period, more than 8,000 residents in Hull and the East Riding wrote to the Post Office opposing the planned closures. Altogether, thousands of petition signatures have been collected, and two weeks ago I handed in a petition to No. 10 Downing street addressed to the Prime Minister containing nearly 5,000 names opposing the planned closures in my constituency.

Much of the attention in my constituency has focused on Grovehill road post office. As Members on both sides of the House have suggested, some of the decisions seem bizarre, but few in the country are more bizarre than that on Grovehill road. Under a previous closure, Woodmansey post office was told to move to Grovehill road, which is close to the Swinemoor estate, which houses the lowest-income families in Beverley. If the Minister were to visit that post office on a Monday morning—

4.24 pm

Sitting suspended for Division in the House.

4.39 pm

On resuming—

Mr. Stuart: I am aware of the limited time and of the time that we want to allow the Minister to give us a forthright and full set of answers.

I was saying that I would focus on the Grovehill road post office in Beverley. The Government's main reason for wanting to close 2,500 post offices is cost. The headline figure often used is that subsidy costs £3.5 million a week. However, as I said when I met Adrian Wales, a network development manager at the Post Office, there must be something very wrong with the Post Office's systems if a branch such as the Grovehill road post office does not turn a profit. Many Members have today made a similar point about branches.

According to the branch's sub-postmaster, it takes in about £155,000 to £160,000 of Post Office business a week. It is extremely busy and entirely focused on post office work. Hundreds of people rely on it and thousands of customers visit it every month. I joined a long queue of customers on a Monday morning last month an hour before the branch opened. More than a dozen people were in line a full 30 minutes before it was due to open its doors. With Beverley set to expand further, there can be little doubt that the branch will be in even greater demand in future.

Money is not the only relevant matter, however. The Committee's report rightly stated:

[Mr. Graham Stuart]

"We believe that other natural and social barriers should also be taken into account. These might explicitly allow for other factors affecting actual accessibility, rather than raw distance".

Grovehill is situated on one of the largest social and private housing estates in the East Riding. Its occupants are some of the lowest-income and most vulnerable in the area, and hundreds of elderly people live in and around the estate. Forcing those people to walk from the centre of Beverley, at least 20 minutes away, carrying large amounts of cash, does not strike me as a sensible proposal.

The closure of Grovehill post office will also have an adverse impact on congestion. If the branch were to close, people would be forced to use the main Register square branch in the centre of town, which is not on a through road. The nearest bus stop is more than 250 yards away, which was mentioned in the Post Office consultation even though the bus from Grovehill does not go to it. People from Grovehill will find themselves at the bus station—a rather longer walk away. There are no parking spaces outside the branch except for those with a disabled driver badge, and precious few for them. Congestion in and around Register square is already a frequent occurrence and will only be exacerbated by the addition of hundreds of Grovehill road customers. Many existing users of Register square report that they already suffer quite long queues.

The Grovehill road branch is a success. Local people depend on it, and its closure would have more than just financial repercussions. It would damage community spirit and affect the most vulnerable—the disabled, the elderly, those on low income and those without transport. That is a cost that cannot easily be calculated. When I organised a public meeting at short notice to discuss the proposed closure of Grovehill, more than 80 people braved a cold autumn night to show their support. I am sure that the Minister recognises the social value of post offices, but I hope that he will listen to the arguments that have been made.

The matter of how the consultation is being conducted has come up again and again. The period is six weeks, even though the Cabinet Office suggests 12 weeks. We have been told, "If you save one, you lose another," yet we have not seen any mechanism of how that subsequent loss will be consulted on. That is not to mention the intrinsic fear and threat. Not all the consultations have been done together, so there seems to be a dropping-down effect. Will the last area of the country have to pick up the slack for any post offices closed? What does the Minister have to say about that, and can he confirm that the Post Office set out on this ill advised consultation not by itself but with ministerial approval? That is an important question, and I hope that he might answer it.

Will the Minister also touch on the social network payment? In my constituency people do not understand why a payment system set up specifically to support rural needs has been moved across to urban areas in a way that might dilute it and be another attack on rural communities that have suffered so much.

One last question: what guarantee can the Minister give to the communities that I represent that there will not be ongoing cuts and closures after the initial 2,500? He must give us some confidence that, even if those ill-thought-out closures go ahead, there is not another set around the corner.

4.43 pm

Greg Clark (Tunbridge Wells) (Con): I am pleased to have caught your eye, Sir John, and delighted to participate in this debate on an excellent report and to follow the characteristically forceful speech of my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) and the excellent speech of my hon. Friend the Member for Mid-Worcestershire (Peter Luff), the Chairman of the Committee.

My hon. Friend the Member for Mid-Worcestershire mentioned the advertising campaign that the Post Office has embarked on. It points to a gulf between national strategy and what is happening in the consultation. It is an ambitious campaign, calling itself the "People's Post Office". It promotes the services available through the Post Office and is based on confidence. That confidence is entirely lacking from the consultation process, which is not about the right configuration of the post office network and assessing whether post offices are in the right places; it is all about closure. What an absence of ambition that suggests, and what a gulf there is between the public money that is being spent on the advertising campaign and the public money that is being spent on the consultation process. If there is a need for joined-up thinking in the Government, there is certainly a need for better joined-up thinking in the Royal Mail and the Department that has caused it to make cuts.

I am conscious of the limited time, but I wish to mention some of the post offices in my constituency that are threatened with closure, and three in particular: Bidborough, St. John's road and Langton Green. There is also the one in Hawkhurst, which, although it is just in the constituency of my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), is nevertheless used by many of my constituents. We have had a passionate campaign, covering all parts of the constituency, supporting each of those post offices for different reasons. If the consultation process is in any way genuine, it cannot be the case that all four post offices must close. Indeed, I regard whether changes are made as a test of the honesty of the consultation process. The arguments that have been put to post office managers through public meetings, petitions, letters and representations are so compelling that not to change the proposals would be an insult to the intelligence of my constituents and a disgraceful treatment of them, considering the time and effort that they have put into responding to the consultation process. Despite the scepticism that many of us feel about the process, I hope that it is genuine.

I wish to touch on the key arguments about the two post offices about which there was the strongest outpouring of concern. One was on St. John's road in Tunbridge Wells, where there has been a post office for 60 years, yet in the space of six weeks we may lose it for ever. The petition that has been put together in the short time available has had more than 1,500 signatories. We had a public meeting in St. John's church, which was organised at short notice and attended by more than 300 people. Like many of the post offices that hon. Members have mentioned, it is profitable and successful. It is run with real commercial flair by Sam and Ray Patel, the postmaster and postmistress. One feature of their business that came across strongly in the public meeting was how

much it is growing, particularly the parcels business, through the growth of the internet.

Many small businesses, based either in commercial premises or more often at home, are making use of the post office's parcel facility, trading professionally on eBay or delivering other mail-order goods and services. Business is growing both for my constituents and for the post office. Sam and Ray Patel provide a service in taking in bulky parcels that are necessary if we are to prosper through the new form of business. There will be no substitute for that if people have to take their bulky parcels and queue in the grossly inadequate facilities of the Crown post office at Fiveways, which often has queues outside the door. In the cold and dark of winter, it is not a suitable environment to encourage business.

It is important that we look to the future of our small businesses, as well as the particular small business of the St. John's road post office. It is in a prospering part of town, and new businesses and retail shops are opening all around the post office. Is it not a symptom of the Post Office's failure of ambition that that is the one business in the area that is to be contracted, with a view to closure? The business is not contracting; the Post Office has proposed that it should.

In Bidborough, the inadequacies of the consultation process have again been exposed. There we have an equally dynamic postmaster and postmistress, Reshma and Kiran Misrani. They took on the business 16 months ago and moved their family to the village of Bidborough. They uprooted and have established themselves successfully in the post office. Frankly, they were sold a pup. When they took on the business and had disruption to their family life, they expected to be there for many years, providing a service to the people of Bidborough. Instead, that has been immediately threatened. One grave concern about the consultation process is that it is based on a snapshot of profitability and turnover at one point in time.

Such is the dynamism and entrepreneurialism of the couple that the business is booming. The post office had been operating under reduced hours, but they have been allowed to open for longer hours, thus allowing more business to be done. Bidborough is not terribly well connected by public transport. It is on a ridge, so one must go downhill and then uphill to struggle to Southborough, which would be the nearest alternative. Bidborough also has good parking facilities, in contrast to Southborough.

In the short time that was available, my constituents, postmasters and postmistresses have made some compelling arguments. I hope that the consultation, the results of which we are about to find out, will reassure us. It is important for our confidence in the Government that they preside over a process that is genuine, not an attempt to hoodwink our constituents.

4.50 pm

Lembit Öpik (Montgomeryshire) (LD): I start by congratulating the hon. Member for Mid-Worcestershire (Peter Luff), who is occasionally my hon. Friend on other matters, on his erudite and insightful introduction to this important report. I know from experience that he is an optimist who will always look for a middle way in which to resolve difficult issues such as these. Unfortunately, it is up to neither him nor me to find a middle way; it is entirely the responsibility of the Government to live up to their political responsibilities to take into account things that have been missing from the calculations used to determine that 2,500 of our post offices should close.

The hon. Gentleman's first-class presentation highlighted the cross-party concern, which is neither tokenistic nor superficial, but deep-seated, that we are losing a social service under this accountancy-led pursuit of apparent savings. My concerns are twofold: first, the consultation process left a great deal to be desired, and secondly, the motives of the closure programme are far from rooted in data-based decision making. My hon. Friend the Member for Richmond Park (Susan Kramer), when she had responsibility for this portfolio, made several comments that sum up many of the points made today. She said:

"The government view appears to be that the post office will inevitably continue to decline and it is just the government's job to manage the decline as best it can."

That sentiment has been echoed in today's debate. She went on:

"We are extremely concerned that the whole process is being taken at the same time as the government's proposals to scrap postwatch and move its functions to a new consumer body. This will inevitably lead to a much weaker level of scrutiny and protection than was offered for example during the last major closure process."

That sentiment has also been echoed by the hon. Member for Mid-Worcestershire and others. My hon. Friend also said:

"We believe that there has been insufficient transparency about all the facts necessary to fully consider the future of the post office and Royal Mail."

In those three statements, my hon. Friend has summarised the cross-party worries that have been expressed today. That concern is compounded by the content of the letter that has already been mentioned, which implies a level of Government pressure on the timing of Post Office announcements. The letter says:

"London Mayoral elections, and Local Authority elections in England and Wales, will be held in May 2008. As you will be aware, the closure of any Post Office can be highly sensitive and can potentially become a local political issue. For that reason, we have been asked by Government to introduce a freeze on some elements of the Network Change Programme during the run up to these elections."

Nothing could be clearer than the fact that while the Government seem to shy away from taking political responsibility and considering the social consequences of the programme of closures, they nevertheless recognise the political importance of protecting themselves, in the run-up to elections, from what they obviously realise will be unpopular decisions.

On the issue of timing, various hon. Members, including the hon. Member for Angus (Mr. Weir), pointed out the difficulty of consulting at such an inclement time of year. In Scotland, they still have winter in January—

Mr. Weir: And in February.

Lembit Öpik: Indeed, and perhaps all the way to June from time to time. In that sense, it is difficult to see why winter is a satisfactory time for consultation, especially given that the Government are willing to impose pressure regarding Post Office announcements for the sake of political expedience. My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny

[Lembit Öpik]

Alexander)—perhaps he should look for a shorter constituency name—has also asked whether this is the right time to consult. I think, by inference, it is, if one does not want many people to respond. If the Government can move the timetable for announcements, they can also move the timetable for consultation. Even with the best will in the world, postmasters will not be able to fulfil all the requirements of that consultation process.

The hon. Member for Rayleigh (Mr. Francois) suggested something even more sinister. His submission was returned to him labelled "return to sender". Could it be that the Post Office network consultation response centre is already a covert victim of the closure programme? We can only speculate.

On the consultation response form that one was encouraged to fill in, there are tick boxes. One set of choices says:

"Please cross one box from the following list of options that best describes you."

The choices include "Individual", "Individual - Subpostmaster" and "Trade Union". One of the choices is "Central Government", so there is nothing to prevent the Government from expressing a view. Indeed, the Post Office seems to expect it. I hope that on consideration of today's debate, there will be some movement from the Minister that will give us more room for optimism about the Government's willingness to take seriously the strong and heartfelt opposition to the changes.

As the hon. Member for Tunbridge Wells (Greg Clark) implied, however, it looks as though the process is designed for closures. As with the nuclear consultation, one feels that the outcome has been pre-judged, but this is worse because it has been pre-judged to produce a specific and extraordinarily round figure—2,500 post offices are to shut. In my book, that means that the recommendation is based on one of two possibilities. It could be based on detailed research, which we should be allowed to see, indicating that exactly that number of post offices can be shut without damaging substantially the infrastructure of the post office network and the communities it serves. The only other possibility is that it is an arbitrary figure that has been imposed on us by accountancy-led rather than service-based decision making.

The 2,500 figure is so worrisome that I ask the Minister to explain the rationale behind it either today or by writing to those of us who have contributed to the debate. Within that rationale, I would expect to see some kind of statistical analysis of the likely consequences to turnover in those communities and, even more importantly, a social impact assessment of the figure. While he is at it, he could also explain why it is reasonable for the Post Office to inform right hon. and hon. Members that if we save one post office, another will have to shut. How can that be rational? How can anyone in the business of politics or industry pretend that such an arbitrary restriction is anything other than dogmatic?

The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) said that at the heart of every village there is a cricket square, a primary school and a post office. I would add a church and a pub, both of which deal with spirits in their own way, but there is little doubt that post offices are regarded as being iconic and a reference point for the status of individual settlements. The hon. Member for Orpington (Mr. Horam) pointed out that the communities affected are not always rural. They can be communities in cities, so this is not simply a rural-based concern.

Moving away from any inference of sentimentality, because I do not think that anyone is arguing for the protection of post offices on a sentimental basis, let us consider the alternatives. My hon. friend the Member for Argyll and Bute (Mr. Reid) pointed out that there is money, effort and collective initiative going into and a co-operative movement behind the idea of saving post offices. His example was EnviroKirn, which wants to protect the service as a local community project but has been given only six weeks to submit a business plan. That is just ridiculous. In the closed economic flow systems of small communities, it is obvious to EnviroKirn that it can do something viable to protect the service.

My next question is whether the Minister will reconsider the extraordinarily strict and restrictive room for manoeuvre that has been allowed to those who in all good faith are trying to come up with business solutions to the closure programme. The Post Office should be grabbing those solutions with both hands, not rejecting them as it seems to have done so far. The co-operative idea is almost 200 years old. The concept was initiated by Robert Owen, a son of my constituency, and the tenets that he put forward then would be appropriate for the Post Office to recall and take seriously now.

I also observe that it is hard for people to understand why profitable post offices are being closed. Perhaps the Minister could clarify that.

The hon. Member for Mid-Worcestershire said that pensioners are being told that since they can travel for nothing, they can go to the next place with a post office if there is no chance of having one in their own community. That works only if the value of a pensioner's time is discounted to zero. Subscribing even a minimum wage to an elderly pensioner and assuming that his wife comes along for free as a volunteer puts tens of pounds on to the cost of visiting a post office. This is no moot point. It is a practical point that relates to respecting individuals who have time on their hands but who, because they have spent a lifetime in work, now feel that their local community services could reasonably be entrusted to the Government's political direction.

I can give two examples of worrisome developments in the implementation of the closure programme. Llandinam, which is a lovely small community in my constituency, is blessed with an active sub-postmaster who extended a small shop into a general store and is now worried that his investment could be wasted if the store is closed. What certainty can people like him who have invested in good faith have that their money has not been wasted and that the needs of their community and their business needs are being taken into account?

Then there is the case of Foel post office, which is even more of a concern. In June 2006, the Post Office stated in a letter:

"I can confirm that it is our future intention to retain Post Office facilities at Foel Post Office Branch."

Nothing could be clearer than that, but, in response to concerns raised by the proprietor, Mrs. Hamilton, I received a letter that states:

"Contact has been maintained with Mrs Hamilton via telephone calls to discuss her application and we are currently awaiting documents to progress the application. However, Post Office Ltd does advise prospective subpostmasters to exercise caution and prudence until the full details of our plans are known."

How can there be such a volte-face in less than 18 months, while at the same time sub-postmasters are expected to act with professionalism and to trust the integrity of the Post Office? Investments of real money and real time were made between those two letters, and Mrs. Hamilton made a career decision to throw her heart and soul into the facility. Now she lives with uncertainty, and that harms the prospects of her developing her business in the short term.

We have heard many other examples. I shall provide no more, as the hon. Members for Eddisbury (Mr. O'Brien), for Hove (Ms Barlow) and for Dumfries and Galloway (Mr. Brown) all had similar stories to tell. This debate is a clarion call from those of us who really care about post office services and an appeal to the Government to think again.

Let me conclude with a few suggestions about the way forward. First, we need strategy not tactics. In the absence of clearly defined, logical data, the 2,500 closures programme seems more like a tactical move than a strategic one, at least at present. We need clarity about the social consequences of closures, and about the practical risk of turning thriving local communities into dormitory villages for larger towns perhaps 10 or 15 miles away.

We also need to consider the potential that the Government have to be proactive and to reinstitute several services previously provided by post offices but now removed. Why is it so hard, for example, to follow through the proposal by some to have a basic bank account in the form of the post office card account? As the hon. Member for Angus pointed out, two thirds of his communities have post offices but only one tenth have banks. Why is it so difficult to reinstitute some of the paperwork that increasingly is being replaced by the internet? People are willing to pay a little more for the human service that they get in post offices. Is it really wise to deny them that free choice?

Fundamentally, we need creative solutions. Once again, I suggest that rather than asking which post offices are to close, the strategic question should be what we can do together—Government, Post Office and local communities—to maintain the post offices that we care so much about.

The right hon. Member for North-West Hampshire (Sir George Young) cited Beeching. There is a risk that the decline in our post office services will be as ignominious as the decline in our rail services. As with Beeching's cuts, it will be hard to reinstate them once they have gone. I am hoping that we can have a serious debate stretching from Basingstoke to Beverley, and from the Labour party to the Liberal Democrats, the Conservatives and all points in between to ensure that we make the right decision for the country rather than an expedient decision for the Treasury.

It is not too late to do those things and to think about potential funding solutions that will interrelate with the debate about the future of the Royal Mail. Perhaps we need to surcharge the private competitors in the business for the universal service obligation and use some of that hypothecated income towards protecting the Post Office. Perhaps we need to look at stamp revenue and other creative solutions within the postal system and see whether there is a way that we can continue to support this social service. Whatever the outcome, we cannot afford to be tribal about it, and we certainly cannot be process-led. We must be outcomes-led.

We need an honest debate and I look forward to what I believe will be a considered response by the Minister. The Liberal Democrats and I will participate, and I suspect that the Conservatives will participate, too, if given the chance. However, without candour, we will let down the people whom we represent, and the Government will fail to show leadership.

I ask the Minister to respond to the questions that other hon. Members and I have raised. I hope that this is the beginning of a sensible dialogue that will slow down and stall the closure programme. In the absence of such hesitation by the Government, I fear that common sense will also have been lost in the post.

5.8 pm

Charles Hendry (Wealden) (Con): I congratulate my hon. Friend the Member for Mid-Worcestershire (Peter Luff) on his introduction to the debate but, more importantly, I congratulate him and his Select Committee on the document that they produced. It is thorough, comprehensive and thoughtful, and it merits reading right the way through. I hope that those who spoke today have taken advantage of the chance to do that. I congratulate my hon. Friend not just on the report but more generally on the way in which he leads his Committee and the thoroughness with which it looks at so many of the difficult and important issues that we are facing.

We have heard in the debate just how much post offices matter to Members on both sides of the House. Strong constituency representations have been brought to bear, and we even had three Government Parliamentary Private Secretaries speak who were unable to find a single word of praise for the process. I hope that the Minister will reflect on that. We now have a new Prime Minister, a new Secretary of State, a newly named Department and a new Minister, but, sadly, the same old policy. Postman Jim has given way to the aptly named Postman Pat, but, up and down the country, Mrs. Gogginses in their post office are in despair because the man whom they thought would stand up for them and look after their interests is the very man who is letting them down.

I hope that the Minister will acknowledge the clear message from all colleagues that the closure programme threatens to do lasting damage to communities. Instead, we should be investing in post offices and allowing them to grow.

At the heart of this debate is a misguided and flawed policy. The Government should be determined to invest in the infrastructure of our post office network, and additional services should be offered, which is what sub-postmasters tell us they want. I have never met a sub-postmaster who said they wanted to depend on subsidy. They all say that they want to offer more services, bring in more customers, and depend on business, but they are being denied that opportunity.

We should be doing more to offer local government services and national Government services through those post offices, which could become a hub for members of

[Charles Hendry]

the community to access those services. They should be allowed to work with carriers other than the Royal Mail. In the 21st century, they should be freed up, rather than tied down, but the Minister has refused to allow that. We should actively explore the concept put forward by the National Federation of SubPostmasters of developing banking services.

We have ended up with a proposal to close 2,500 post offices. Hon. Members on both sides of the House have said that they simply do not know how that figure has been arrived at. The hon. Member for Montgomeryshire (Lembit Öpik) said that it might have been accountancy-led, but the reality is that it was politically-led. It is the number of closures that the Government thought they could get away with, so it is not about what is right, or how big the network should be. They thought that they could close that number, and that by parcelling them into small chunks they could get those closures through the system.

At the end of the process, the Minister and his colleagues will have supervised the closure of one third of the network since Labour came to power 10 years ago. The number of sub-post offices will have fallen from 18,000 to just 12,000. That is to his shame, and he and his colleagues who have held that brief have witnessed that decline. There has never been a time when post offices have closed at such a rate.

Hon. Members have expressed a number of genuine and realistic concerns, and have talked with passion about the nature of the consultation process. It is too short, and the Minister should tell us today that he will increase it from six weeks to 12. Cabinet Office guidelines say that it should be 12 weeks, but he has chosen to ignore those guidelines, although he told me this week in a parliamentary answer that those same guidelines dictate that we should stop the process during purdah in the local government elections. Why does he choose to accept Cabinet Office guidelines when it is to his advantage, and to ignore them when it is politically expedient to do so?

We have heard from many hon. Members that the access criteria are fundamentally flawed. Distances may look fine on a map, but do not take account of topography. Hon. Member after hon. Member spoke about hills that their constituents will be expected to climb. With the proposed closure of Town Row post office in my constituency, people will have to climb a narrow, steep hill, which no elderly person could possibly be expected to climb, to get to the next nearest post office. Such matters do not seem to have been taken into account, nor has the availability of public transport. The hon. Member for Hove (Ms Barlow) told us about planned huge housing developments that have not been taken into account in the access criteria process.

We have ended up with a process that is setting community against community. If someone argues for the preservation of their post office, they know that another community will take its place on the closure list. We cannot argue the absolute case for preserving a post office because the closure criteria have been wrong or misread. We know that if one is saved, another will have to go. That is what colleagues have found most disturbing and unacceptable.

Another issue throughout the debate is the concept of closing profitable post offices. I think there is a misunderstanding at the heart of that. We were told that the process covered loss-making post offices, but in fact it is about reducing the cost to the Post Office of running the network. We know—the hon. Member for Sittingbourne and Sheppey (Derek Wyatt) raised this—that the way in which sub-postmasters are paid partly relates to the amount of business. The more business they do, the more they cost the Post Office to transact it, and there we have it.

The solution is simple. The system would work beautifully if it were not for the wretched customers using post office services. The easiest solution is to close the busy ones, because that provides the biggest savings in transaction costs, and the network will work smoothly. But that is not what the process should be about. It should be about looking at marginal post offices, and encouraging the busiest and most profitable ones to continue.

My right hon. Friend the Member for North-West Hampshire (Sir George Young) rightly said that the one thing that we should be able to expect in this debate is absolute clarity about how much is being saved with each proposed closure. We could then look to the parish or district council or somewhere else to try to obtain funding, but until we are given those figures, we simply do not know how much will be expected to be raised. Perhaps the Minister will confirm that the post office network is losing £4 million a week—approximately £200 million a year. He said that the Government's network programme is putting in £160 million, so is it right to assume that we are trying to save £40 million in the process? If that is divided by 2,500, £16,000 per post office will be saved. Are we in the right ball park in saying that?

I hope that as a result of this debate and the concerns that have been expressed, the Minister will instruct the Post Office to explain how much it expects to save from the closure of each post office, so that we can consider how that shortfall can be made up. It is clear that what matters is not the network's strategy, but geography. If a post office is in the wrong place, it must close. It is almost a Stalinist approach. The Prime Minister has moved from being Stalin to being Mr. Bean, and Postman Pat has become Stalin in his place.

Some postmasters run incredibly successful businesses, and have spent years investing their savings and building up those businesses, but someone can come along and, out of the blue, tell them that they will be closed down simply because they are in the wrong geographical location. We need a better and more thorough way of dealing with the matter, and only the Minister can make that happen.

We are seeing a gradual whittling down of both the Post Office and its parent company, Royal Mail Group. The problem is not just post office closures. We are seeing the end of Sunday collections, the reduction, and in some areas the extinction, of morning deliveries, the end of postbus services throughout the country, and the suggestion that two hours of outreach services are an adequate replacement for a six-day-a-week post office. As the hon. Member for Sittingbourne and Sheppey said, Crown post offices are being moved into inappropriate, unsuitable locations where people with buggies, pushchairs or wheelchairs simply cannot get to the counters.

There is something perverse about a bonus system for Post Office managers— some are extremely able and outstandingly good business people—based on their success in dismantling a much loved national institution rather than on their success in building it up and making it a viable business for the 21st century.

Mr. Kidney: I mentioned W.H. Smith Royal Mail's management is introducing commercial practices. Is it the hon. Gentleman's party's policy to go the whole hog and put it in the private sector?

Charles Hendry: Something we need to do at an early stage is to separate the Royal Mail and Post Office businesses. There should be much greater clarity about who does what. Some of the decisions are being made because of problems facing Royal Mail, and it is making up the shortfall in its funds by going through the process. That does not mean that Royal Mail should be in the private sector or the public sector, but there is confusion about how those businesses are run at the moment. My hon. Friend and neighbour, the Member for Tunbridge Wells (Greg Clark), brought that up particularly clearly when he described what is happening with the St. John's road post office.

If someone is building up a business based on internet services, but is finding that that business will be more difficult because the post office he uses is being closed, Royal Mail may go to him and say that it will collect his packages every day, and give him a lower price than what the sub-postmaster would legally have been able to offer because postal prices for him are controlled, but Royal Mail can offer discounts. We could be in the absurd situation of Royal Mail undercutting post offices and offering prices that post offices could not legally offer.

The Government set the framework, put the financial package in place, and chose to spread the social network package more thinly, as my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) said. The Government restricted the offering of new services, set the number of closures and have been responsible for every element of the package that the Post Office has had to put in place—they set the access criteria and everything else. Therefore, people who are unhappy have no one else to blame.

At the end of the day, the Government's policy is to manage the decline of the post office network, but they have failed to understand the wider nature of the programme. The post office is not only a business; it is part of the social fabric of our communities and of the social network. If someone does not come in to collect their pension, the sub-postmaster will be the first to notice and raise the alarm. The programme has lost sight of the wider value of post offices to too many communities, and they are seen only in terms of their economic role.

The Minister will have seen that there is no support for the programme across the House. We have seen a significant amount of anger in the debate, but that will be doubled if people end up feeling that the consultation programme is just a sham. If at the end of the consultation the Government turn round and say, "We have consulted, we have spent six weeks on it, but we will simply go ahead as we planned and close every single post office on our list," people will rightly feel that the programme was a sham and it should be exposed as such.

The Post Office cannot halt the programme—only the Minister can. He should go back to the drawing board, think again, create a better long-term vision for the Post Office, and bring more business into the unit, and not simply manage the decline. If he does not do those things, the lasting legacy of his time in office will be the irretrievable loss of services to our communities throughout the country.

5.21 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): Let me begin by acknowledging the strength of feeling on this issue. I have been the Minister responsible for this difficult issue for some months and I can inform hon. and right hon. Members that I am aware of their concerns and those of their constituents. For that reason, it is right, despite the concerns that have been expressed, to debate the matter at length. I thank the hon. Member for Mid-Worcestershire (Peter Luff) and the Select Committee on Trade and Industry for the constructive way in which they have engaged in the debate on what is a difficult issue.

In fact, there has been more than one iteration of the matter. We have had the report, the Government response, another report, a further Government response, and so on. The background to the Committee's work was not blanket opposition to the Government's proposals or opposition to the need for any restructuring of the network. The Committee stated:

> "Overall, in the face of the loss of so much business, the programme is necessary."

That view was echoed by George Thomson, the general secretary of the National Federation of SubPostmasters, who said that the closures were "regrettable" but

> "necessary to ensure the remaining post offices are able to thrive in the future."

I shall come to some of the individual points that have been made, but I would like to set out some of the context in which the decision was taken. As has been said, the May announcements were that there would be up to 2,500 post office closures; sub-postmasters leaving the network as part of the programme would be compensated for their service; alongside the closures there would be 500 new outreach services; Government funding for social network will continue to at least 2011; and that there would be new access criteria.

Mr. Weir: The Minister just said "up to 2,500", but that figure seems to have become set. Will the Minister clarify that matter? Is it possible that there will be fewer than 2,500 closures?

Mr. McFadden: There has been a lot of talk about the figure in the debate. The figure is derived from our—the Government and the post office network—assessment of the level necessary, with the social network payment, to put the network on a stable footing. As the Chairman of the Committee said, some variance is possible, but 2,500 is around the number that ought to be closed to give the network the level of stability I mentioned.

[Mr. McFadden]

I urge caution on hon. Members who would say that a particular post office is profitable. There are two factors to take into account when assessing the profitability of a particular post office. First, we must consider the business done in a post office and the payment from the Post Office directly into that branch. Secondly, we must consider the central support costs from the Post Office to a branch. The costs of any particular branch are shared between the branch and the post office network. On that basis, three out of four post offices are not profitable. I therefore urge caution against claiming that particular branches are profitable. As my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) said, busy does not always mean profitable.

Mr. Stephen O'Brien: I thank the Minister for giving way during an important aspect of his presentation. I have not been made aware that what he said has been presented in evidence or in a context in which we could test it. It is important that a Minister has made such a statement to the House, but given that the closures are in the end to do with individual post offices and businesses, it would be helpful if we had his remarks laid out in evidence. At the moment, we can go on only what the people we meet say, and they are the people who run the businesses.

Mr. McFadden: It would be difficult for an individual sub-postmaster to see the full picture because central costs must also be taken into account. My point is that one must put the two things I mentioned together to make such an assessment. Hon. Members have spoken about individual post offices in their constituencies, but perhaps they would understand if I am reluctant today to comment on those branches—I would like to say something about the broader picture.

Peter Luff: I must reflect on what the Minister just said. We might close post offices, but central costs could remain the same. What assurance can the Minister give the House and the Committee that central costs will be reduced at least in proportion to the branch closures? Otherwise, we would spread the same costs among fewer post offices, and the argument for further closures will increase rather than diminish.

Mr. McFadden: The central costs will be reduced as a result of the programme. We shall not have the same central costs for a little under 12,000 branches as we would for the 14,000 we have at the moment.

Mrs. Miller *rose—*

Mr. McFadden: I would like to make a little progress. I have been asked a lot of questions and I should like to answer them.

The overall record of the branches has been in the public domain for some time, but I shall briefly reiterate it. We have 800 post offices that serve fewer than 16 customers per week. In those offices, the subsidy per transaction is around £17. We have 1,600 offices that serve fewer than 20 customers per day—the subsidy per transaction in those offices is £8. There are around 1,000 sub-post offices in competition with six or more branches within 1 mile, and customer numbers have shrunk by around 4 million per week in recent years. That picture provides a significant challenge for the post office network, and those statistics give some of the background information and reasons why we had to come to our decision.

The other background factor is lifestyle change. My hon. Friend the Member for Dumfries and Galloway referred to people getting their pension paid into a bank account. Some eight out of 10 pensioners now choose to do so, even though the Post Office card account option is open to them. Among new retirees, the figure is nine out of 10. People are making more transactions online. We put the capacity to arrange car tax online recently, and use of the facility increased from around 0.5 million people per month to 1 million per month in the first six months of this year. Almost half of those people use the website outside nine-to-five office hours. There is an attraction in that kind of service being available. I do not believe that any Government should respond to how people do transactions in other spheres of their life by refusing to do so in the public sphere.

Are we driven by accountancy, commercial factors and so on? No, we are not. That is why a subsidy of £150 million is going into the network. We recognise the community value of post offices and the public concern to keep as many as we can, but even with £150 million a year we cannot sustain a network of the current size. I assure hon. Members that the Government do not view this as a purely commercial network. That is why we have introduced that subsidy and guaranteed it over the coming years.

Mr. Graham Stuart: We Conservatives are not suggesting that Ministers should bury their heads in the sand and ignore changes. However, I should like to say, as other hon. Members have, that if the Post Office could run full banking facilities, two thirds of people in rural communities, instead of one in 10 people, would have access to their banks and the Minister would be both living with the modern world and providing the outreach that only the Post Office can do. We are looking to get measures to make the Post Office really work in the 21st century from a Minister who will, hopefully, be visionary in his speech as he goes on.

Mr. McFadden: A number of banks already have an arrangement with the Post Office for banking transactions to be carried out. We work with the Post Office management, which is doing a good job—perhaps a better job than in the past, as the Trade and Industry Committee acknowledges—in coming forward with new commercial ideas.

The broadband service was launched recently and we know about the car insurance and foreign exchange, and so on. Topically, the Post Office has recently launched a secure Christmas prepayment scheme: not for this Christmas, but for next year, in time for Christmas 2008. We have to support those good, imaginative ideas, because the future is not about turning the clock back and stopping all the changes that we have made, with benefits payments, online services, and so on, and reversing them. I do not believe in doing so and I am not sure that any party would propose that. The future has to be about finding new reasons to bring people through the door.

Even after the closures have taken place, we will still have a network that is bigger than all the banks and about three times the size of the five biggest supermarket chains put together. So we will still have something with significant reach throughout the country in both urban and rural communities.

I should like, in the time available to me, to attempt to answer some of the specific questions. The hon. Member for Mid-Worcestershire asked me about state aid approval. I am pleased to tell him that that has been given. The European Commission released a statement today, making it clear that approval has been given on the part of the public funding package for the Post Office that requires state aid approval. The Competition Commissioner, Neelie Kroes said:

"This will enable the network to continue to provide those services"—

that is, Post Office services—

"under the new terms defined by the Government."

I want to bring the Committee up to date with how the Post Office is dealing with the particularly controversial individual decisions relating to constituencies. As hon. Members know, Postwatch is involved throughout the process from the pre-consultation period. The process already had an appeal mechanism where Postwatch and Post Office Ltd could not agree whether the process had been applied properly in respect of an individual branch. Post Office Ltd announced yesterday that it will add a new stage to that appeal process so that in individual circumstances where Postwatch and Post Office Ltd fail to agree locally, then nationally and subsequently at a senior level, involving the chief executive of Post Office Ltd and the head of Postwatch, an additional level will be added and Allan Leighton, the chairman of Royal Mail Group, will take a view on the final decision. I hope that the fact that the chairman of Royal Mail Group himself will take the final decision gives hon. Members some confidence in respect of particularly controversial decisions where Postwatch and Post Office Ltd cannot agree that the process has been properly followed.

Peter Luff: Does that mean that Postwatch will endure until the end of the consultation process?

Mr. McFadden: Postwatch will become part of the National Consumer Council in October 2008, but the team working on this issue will carry through to the end of the process. I understand the hon. Gentleman's point about continuity in this process.

Greg Clark: In Kent, 58 post offices are earmarked for closure. Suppose that 20 of those were in this category and were reprieved: what would be the consequences of that? Given that we would fall short of the target by 20, would there then be another set of post offices recommended for closure or would we get away with 38?

Mr. McFadden: I hope that the hon. Gentleman does not mind if I am not drawn into that kind of calculation, because we could go round the room. I stress that this part of the process is for post offices in respect of which Postwatch and Post Office Ltd fail to agree that the process has been properly followed throughout.

I want to talk a little bit about outreach, because hon. Members mentioned it. I have visited the outreach pilot services in the constituency of my hon. Friend the Member for Dumfries and Galloway, who made an important point. I accept that, sometimes, this process will be controversial at the beginning, but there have been a lot of calls in this debate for imaginative thinking. Outreach gives an opportunity for imaginative thinking, whether in respect of shared services with other organisations in a local community, of the kind that have been called for, or a mobile post office. Perhaps services will be more part-time than those currently in place, but all the same it gives an opportunity for a post office service at a time when it is more predictable that it will be busy—some days are busier than others in local communities—and offers the opportunity for a service to continue in some way. I appreciate the concerns about this matter, but alongside the 2,500 closures overall that have been announced, there is a plan for 500 such services throughout the country.

I should like to correct the impression that outreach services are available only in the 38 districts that fall below the national criteria for coverage by the Post Office. That is not so. In fact, under the local plans announced so far, some 99 proposals for outreach services have already been mentioned.

Mr. Weir: I am glad to hear the Minister say that, but I was told specifically by the Post Office, when I raised the matter in relation to my constituency, that it was happening only in the excepted areas. If that is not so, the Post Office has to make it clear.

Mr. McFadden: As I said, 99 outreach services have already been announced and many of the local area plans that have been announced do not cover areas that include the 38 postcode districts in the country that do not meet the minimum criteria.

Mr. Stephen O'Brien: I am most grateful to the Minister for giving way to me for a second time. I have tried to explain the problem with the data and the planning in respect of outreach. For instance, the outreach programme is now being governed from Whitchurch in Shropshire. However, that area is not even working under the process at the moment.

Of course, the Cheshire post offices that are negotiating outreach do not want just two hours on a Wednesday afternoon, which is all they are being offered, because nobody is around then. Moreover, they are concerned that they cannot predict more than three months ahead, because there will be a quarterly review of the outreach arrangements. The postmaster in charge of Whitchurch has no incentive whatever to keep the post offices in Cheshire open, because he would love people to travel to Whitchurch in Shropshire, which is not under threat of closure. There is, at the moment, a deep distrust—let alone dysfunction.

Mr. McFadden: I understand what the hon. Gentleman is saying. However, let us reflect on what my hon. Friend the Member for Dumfries and Galloway said. Where this process has been controversial at the beginning and has been introduced, over time it has not just become more accepted, but genuine support has emerged for it.

[Mr. McFadden]

I would like to answer the question about 12 weeks and six weeks in respect of the consultation, which was not just raised in today's debate, but pushed quite vociferously by the Trade and Industry Committee. We had to take a view, balancing the uncertainty that hangs over the network during the process with the desire to consult. Before we get to the six-week public consultation process, there is a process through which Post Office Ltd speaks to sub-postmasters in the area, the local authority, Postwatch and so on. Post Office Ltd has indicated to me that, in that process, the plans change on average—I stress that it is on average, not necessarily in every area—by about 15 per cent., so we are talking about roughly one in six proposals.

Again, I urge hon. Members to be cautious if they see a first cut of a proposal for an area before it has gone through that process, because the experience so far is that the pre-consultation phase results in some change to initial plans. That is some evidence that the process is taken seriously by the Post Office. I am referring to the way in which it is engaging with those very important local voices.

The National Federation of SubPostmasters said:

"To minimise distress amongst sub postmasters, it is important that the local consultation process is carried out sensitively and speedily. Prolonging decision making regarding sub post office closures will blight the business as well as creating a stressful environment for sub postmasters".

We have taken those factors into account. That is how we reached the decision about six weeks.

Let me deal with some of the specific issues raised. The Chairman of the Select Committee, the hon. Member for Mid-Worcestershire, asked whether replies—

Mr. Weir: Will the Minister give way?

Mr. McFadden: I have given way already to the hon. Gentleman. I would like to make progress.

The Chairman of the Select Committee asked whether replies from Post Office Ltd could be placed in the Library. That is a perfectly good idea and we should do that. I hope that I have answered his question about the Postwatch team. My hon. Friend the Member for Hove (Ms Barlow) asked about local economic factors. I would like to assure her that those are taken into account in the process.

The Chairman of the Select Committee asked about the dates of the final decisions next month. I can tell hon. Members that the decisions on Kent are expected to be announced on 6 December; the decisions on the east midlands on 11 December; the decisions on East Yorkshire and north Lincolnshire on 13 December; and the decisions on east Essex and Suffolk also on 13 December.

Mr. John Grogan (Selby) (Lab): Several hon. Members have asked whether community organisations or county or parish councils could step in and support post offices under threat. Is that possible?

Mr. McFadden: I would encourage Post Office Ltd to take very seriously any suggestion or proposal such as that, but it will bear in mind not just the individual costs of the branch, but the central network costs. I think that it will want to take both into account if such a proposal is made.

Sir George Young: The Post Office is like any other national organisation that has headquarters and branches. It is perfectly feasible to work out these costs; it is not an impossible exercise. Can the Minister assure us that the Post Office will release to local authorities the information that they need to make a relevant bid that means that the Post Office is not out of pocket at the end of the day?

Mr. McFadden: I do not want to give the right hon. Gentleman that assurance, because issues of commercial confidentiality are in play. However, I do think that Post Office Ltd should take seriously and engage seriously with any organisation that thinks that it has a viable proposal.

I hope that I have managed to cover at least some of the issues raised.

Charles Hendry: Can the Minister explain how anyone can bid to help to run a post office if the Post Office will not release the figures for how much it wants?

Mr. McFadden: I have spoken to Post Office Ltd about the issue of transparency. We should have as much transparency as we can in the debate and I have asked Post Office Ltd to look into the issue. I do not want to be specific today about exactly what it can publish and what it cannot, but I hope that it will look into the issue, because I understand the desire for transparency in the process.

I have answered as many of the points as I can today. I appreciate that this is a difficult process and that it causes concern in local communities, but I believe that it will give us a stable network.

It being fifteen minutes to Six o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Tuesday 4 December 2007

[MRS. JOAN HUMBLE *in the Chair*]

Development (Aylesbury Vale)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mark Tami.]*

9.30 am

John Bercow (Buckingham) (Con): Good morning, Mrs. Humble. In welcoming you to the Chair, I confidently look forward to your firm, fair and wise stewardship of our proceedings. I welcome other hon. Members present, including the hon. Member for Chesterfield (Paul Holmes), who speaks for the Liberal Democrats; and I welcome very warmly my hon. Friend the Member for Beckenham (Mrs. Lait), who will speak from the Conservative Front Bench.

I am sorry that my hon. Friend the Member for Aylesbury (Mr. Lidington) is not able to be present today. He has championed the cause of local interests in respect of sustainable development over a long period and he would ordinarily be here, but he is a shadow Foreign Office Minister and is today in Israel, involved in discussions about the future of the middle east. I hope it will be understood that he cannot be with us this morning.

I pay particular tribute and take this opportunity warmly to congratulate the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), upon his deserved elevation. I was pleased to hear of it, and I genuinely wish him well in the exercise of his new responsibilities.

The subject matter for debate today is development in Aylesbury Vale, to which there are a number of components. I start by focusing on housing. In doing so, I make it clear beyond peradventure that I am not one of those who say, "We do not want any housing here." The logic of the situation is inescapable. The facts are clear: there is and will continue to be a substantial demand for new housing, long into the future, and I readily accept that Aylesbury Vale must take its fair and allocated share.

We all know the facts of the situation, which would inevitably press upon any Government. On the whole, people are leaving the family home at a younger age than they used to do; they are marrying or partnering later than they used to do; sadly, they are breaking up more frequently than they used to do; and they are living longer than they used to do. For that combination of reasons, it is an inescapable reality that we must have more units of housing. That has always been my position, and I have often stood up for or conceded the inevitability of new developments, sometimes including historically new settlements, even in the face of some local opposition. One must take a responsible view on such matters.

The issue is not whether we have new development in Aylesbury Vale but how much we can realistically be expected safely to absorb. The south-east plan was published and submitted to the Government in March 2006, and the panel of inspectors advising the Government responded to it in August 2007; as a result of that process, a number of things have become clear.

In particular, I confess that I very much welcome the strong conclusion in the panel of inspectors' report that, as far as south-west expansion and the ambitions of the Milton Keynes Partnership are concerned, it would not be proper at this stage to think ahead and plan prescriptive numbers for as far into the future as 2031. That was the ambition of Milton Keynes Partnership, and it is absolutely right that the judgment was made that it would be better to stick at planning and providing for the period up to 2026. I also welcome the fact that the ambition of Milton Keynes Partnership to secure agreement to a figure of 7,500 new properties to the south-west of Milton Keynes—for my purposes, that means the village of Newton Longville in my constituency—has been rejected. Between now and 2026, the figure is not to be 7,500, unless the Government were so injudicious and maladroit as to intervene to insist on it; instead, it is to be 5,400. That is very welcome. It would be even more welcome if the Minister felt able to give a clarion commitment to the acceptance of that rather more satisfactory proposal.

I am also pleased, and I know that residents of my constituency engaged in these matters are pleased, that the principle of the urban intensification of Milton Keynes has been accepted, with plans for 10,400 new homes within the urban area of what even now is the relatively new city of Milton Keynes. Above all, I am pleased that as a result of the commentary of the inspectors, no new settlements are proposed.

That is a short and pithy summary—believe it or not—of a vast array of issues that had to be considered, both at the time of the submission of the original plan and of the inspectors' determinations. However, I want to make it clear to the Minister that I am not cavilling at everything, or saying that is all thoroughly bad news, and that it is dark, dingy and gloomy—that is not the case. There are some compensations for Aylesbury Vale, and I have put them on record today.

In relation to housing, there are three other points to which I would like briefly to allude. First, I confess that in my constituency there is some regret and not a little frustration that the inspectors should have rejected the argument that some significant development could and should take place east of the M1; it would have been justified in itself and, as an inevitable corollary, it would have significantly reduced the pressure on Aylesbury Vale. That was not accepted, but even so there is a crumb of comfort—a substantial one—for my constituents. The inspectors' panel report says clearly that it does not accept that the east side of the M1 should be viewed as some sort of permanent boundary, and that no development east of the M1 could ever take place. It is prepared to contemplate the possibility. It would be helpful, notwithstanding his understandable reluctance to make precise long-term commitments at this stage, were the Minister to signal nevertheless that there seemed to be a good deal of merit in what the inspectors had said. That is the first point that I want clearly to put on the record.

The second point is the question of affordable housing. It seems to me that the south-east as a whole, and arguably Aylesbury Vale in particular, faces a real and demanding challenge, and it is not always clear to me that Ministers are completely sensitive to the extent of it. I hope that the Minister, who is a rising star in the

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Prime Minister's firmament, can demonstrate today precisely that sort of sensitivity to the concerns of a constituency Member of Parliament; it could augur well for his future but, more importantly, for the well-being and contentment of my constituents.

Why do I mention affordable housing? The Government are very keen to put on record the desirability—no, the overriding imperative—of substantially greater housing numbers, including and, arguably, particularly in the growth areas, of which Aylesbury Vale is one. I understand that, and there is a certain amount of criticism from time to time of the level of housing completions taking place in the south-east, uttered not least by the Minister for Housing on Second Reading of the Housing and Regeneration Bill last week. I say that the Government must be realistic. The estimated shortfall in public subsidy for the provision of housing that the Government regard as essential has been calculated as being no less than £56 million. I think that that is a huge consideration.

A £25 million shortfall is estimated in respect of social rented housing, and I think the sum is of the order of £31 million to fulfil the requirement of low-cost home ownership. The former is of special significance in my constituency but I do not entirely dismiss the significance of the latter. That is not my view, nor is it the judgment of the Conservative party or the hack estimate of an amateur unfamiliar with the terrain, it is the considered and, I think, authoritative view of the South East Regional Housing Board.

The board has put it to Ministers that it is simply not credible—I underline those words and, I think, quote them—to suppose that the south-east as a region can construct 10,900 social houses with £407 million when on the strength of the previous year's £406 million it could put up only 8,100. To suppose that on the strength of another £1 million one can produce another 2,800 houses beggars belief—these are tales told to the marines—and I appeal to the Minister, who is nothing but an emblem of common sense at all times, to appreciate that there is a lacuna in Government thinking.

If Ministers want that substantially greater development of the social rented sector and of low-cost housing, they have to be prepared, to put it bluntly, to stump up the cash. It is not acceptable to fail to stump up the cash but then to berate and belabour decent, committed providers in my constituency, or simply to lambast the developers. That is a significant additional concern to which I would welcome a reassuring response from the Minister.

My third concern in relation to housing is on the subject of the intended eco-towns. That is a concept that I feel sure, Mrs. Humble, will require no elaboration for you. I suspect that you are familiar with the background to and the minutiae of Government policy in that arena and I therefore do not intend to detain the Chamber overly long on the matter. The Government are proposing a competition for the establishment of eco-towns and I want to tease out of the Minster whether there has been an application for the establishment of an eco-town in Aylesbury Vale. That would be illuminating information. Even if he does not have the facts at his fingertips, he is guided by wise individuals to whom the rules of order prevent me from referring, and it may be that a piece of handy information will squirrel its way towards him during the debate and he will be able to answer that important question. I emphasise that my constituents will be interested to know.

I would be struck, and to a degree perturbed, if an application had been submitted and received by the Minister's Department. My understanding is that the precise form that the eco-towns will take is as yet undetermined. Indeed, I am advised that it is part of the competition to tell the Government what the towns ought to look like. However, certain criteria have been set out, one of which, if memory serves me correctly, is that the towns should be for at least 5,000 new homes. If such an application had been received by the Minister that would clearly and brutally cut across the advice of the inspectors' panel report, which was that no need for new settlements had been demonstrated. Palpably, if one were creating a whole community that was to be dignified with the term "eco-town" it would effectively amount to a new settlement.

I would also like to establish from the Minister what the rules will be governing the creation and development of such eco-towns. Will they proceed on the basis of a requirement for full planning permission, a wholly rigorous public consultation process, and an independent examination? That would seem to be entirely proper, and the minimum safeguard required by my constituents if such a monumental development were to proceed.

Is it alternatively the case, or might it become so, that the Government are so keen to see towns of this kind established that a less rigorous—or dare I say, to use the jargon, more "light-touch"—planning procedure might be envisaged? I very much hope that the latter is not the case, and of course the Minister has a heaven-sent opportunity today to reassure me and to say: "The hon. Member for Buckingham has absolutely nothing to worry about. There may or may not be an application, but it will have to go through a very rigorous process, no less rigorous than—indeed, identical to—the arrangements that typically obtain at the moment." The Minister has in front of him an open goal if the evidence suits his case. He has merely to kick the ball into the net.

That deals with the housing element of the equation. However, as someone recently said to me in a neat encapsulation of the challenge from the point of view of my constituency and beyond, the housing element is mandated; the infrastructure is not. The Minister might be aware that Roger Tym and Partners, the consultants who were deputed to look into these matters and offer their assessment, did a very substantial piece of work on the subject of infrastructure in the light of the proposed growth-area status for Aylesbury Vale. They concluded that for Aylesbury alone, £768 million of infrastructure expenditure would be required. That is an enormous sum and it leads me to focus on an important issue of principle. If we are talking, as Ministers, shadow Ministers and Back Benchers have consistently done, about the requirement for sustainable development, what we need to know is whether the Government accept what has previously been acknowledged to be true—that if we are to have the housing established, we need to have the infrastructure to go with it.

Of course the Minister will be aware that the south-east plan, which included quite ambitious proposals for new housing, did say that the housing needed to be "closely related"—I use that expression advisedly, as it is a direct quote from the report—to the availability of infrastructure

and associated services. My understanding, not least from replies to me and other hon. Members from the Minister of Housing, was that that was also the stated position and promise of the Government. I then saw the inspectors' panel report and one of the less agreeable features of it. It said that it did not accept that housing expansion needed to be contingent on the delivery of necessary infrastructure. That was a bolt from the blue for me, for my hon. Friend the Member for Aylesbury, for the North Bucks Parishes Planning Consortium, with which I met last week to discuss these important matters, and a good many other constituents besides.

Last week, on Second Reading of the Housing and Regeneration Bill, I asked the Minister on which side of the argument she fell. Did she accept what I thought was regarded as a prosaic truism, namely that housing had to be accompanied by infrastructure, or did she side with the panel of inspectors? I yield to no one in my admiration for the talents of the Minister, but I was somewhat disappointed by her judgment. She seemed to think that the argument was more in the direction of the inspectors. She did not say that in so many words, but she offered me no comfort and proceeded to bemoan the low levels of completions and to bang on about what the Government were doing on infrastructure, which was far from giving the commitment that the two had to go hand in hand—which I regarded as axiomatic.

We need to know clearly whether Ministers accept that housing and infrastructure must go hand in hand. Do they accept the judgment of the south-east plan authors or do they side with the inspectors? That is a matter not of detail, but of principle, which underlies development both in my own area and, potentially, in others around the country.

The Government, of course, are minded to talk about the community infrastructure levy and to wax lyrical about the scope for investment in infrastructure, but I am simply not sure how easy it is to get substantial funds for strategic infrastructure projects. In other words, I accept that one can get some quick wins with smaller-scale initiatives necessary at the time of housing development, but it is not always easy with the big issues and the high-cost projects. I refer, for example, to the present and past difficulties with the A418, which is in my constituency and also relevant to my hon. Friend the Member for Aylesbury.

Perhaps the Planning Bill will usher in a Huxleyite brave new world and there will be some good news to report on that front: procedures will be more timely procedures, resources will come on stream and, all of a sudden, we will have much less to worry about. However, resting content on that basis would probably be a triumph of optimism over the evidence of history. If the Minister is able to speak about what the Planning Bill might betoken for speedier agreement for infrastructure, that would be welcome, but I have to point out that Buckinghamshire county council—in pursuit of a section 106 agreement—recently required three and a half years from conception to completion of the agreement. I am very concerned that it is not going to be easy to get substantial projects.

Let me place on record my relief and satisfaction that, as a result of good work done locally by Buckinghamshire county council and Aylesbury Vale district council, something in the order of £33.4 million of funds for infrastructure projects—a miscellany of different projects—has been secured. Moreover, as far as the third phase of the growth area fund resources is concerned, the local authorities have applied for an additional £27.4 million of financial support. We do not yet know the outcome of those applications, but I am cautiously hopeful that we might garner additional funds by that route. I hope that the Minister will not sniff at what I say, or think me unappreciative of what my own area has managed to achieve, but those are relatively small sums when considering the overall estimates of Roger Tym and Partners and the supposition that, for big projects, we are talking about several hundred million pounds of required funds. So far we have levered in just less than £33.5 million and are pursuing almost another £27.5 million, so there is, frankly, still a great deal to be done.

Why do I attach so much significance to the pursuit of such large funds? The answer is simple. When considering Aylesbury, we are talking about the biggest expansion—relative to its existing size—of any town in the south-east of England. That is the scale of the project that we have to consider. In those circumstances, with something so big, how will we get the necessary resources? Buckinghamshire county council has told me that sometimes feasibility studies and initial design can already be a huge drain. That is committing resources on a wing and a prayer, when the expectation of managing to attract public funding is somewhere between remote and non-existent. We are talking about the A413, A41, A418, A4146, about increasing the size of Stoke Mandeville stadium, about a higher education facility, about green spaces, community resources, flood defence, public utilities and so on. Very significant sums of money will be required.

The South East England Development Agency chief executive, Pam Alexander, is very explicit on the matter, and I am grateful to her. She has said that major social, environmental and economic infrastructure is a "critical requirement" for the success of a more ambitious housing programme. She is very clear.

Similarly, the South East England regional assembly and the inspectors advising the Government are clear about the crucial strategic significance of the east-west rail route. They think that it is indispensable. Does the Minister agree with that proposition? How does he envisage that Government can assist in bringing it on-stream expeditiously? What prognosis for its future and its interaction with housing development can he offer to me and other right hon. and hon. Members today?

In the context of infrastructure I have to refer to electricity supply. Our local supplier, EDF, has made the point that it cannot plan ahead. There is, effectively, a presumption under regulation against investment in expectation of substantial additional housing numbers. That is a regulatory matter that is within the auspices of and can be changed by Government. A shortage of electricity supply either for homeowners or business customers is not an irremediable problem, but the matter needs to be addressed; otherwise, by 2012 a shortage is likely. That is a real consideration, as is the judgment of Thames Water that there needs to be very significant expansion and improvement of sewage treatment facilities in and around Aylesbury to which "very significant costs" are attached. I hope that the Minister will not think that I am speculating idly or engaged in a polemical rant against him, because that is not the case. I recognise

[John Bercow]

that there is always a limit to what is available, but I want the Minister to appreciate the significance, scale and urgency of our requirements. Those cannot be swept under the carpet.

Finally, having talked about housing and infrastructure per se, I would like to say something more broadly about public service provision. Approximately three years ago, the hospital and primary care trusts in Milton Keynes and south midlands hired consultants to look at the expected health service provision needs in the light of anticipated and, dare I say, as far as the Government are concerned, mandated expansion of the area. As the Minister will know, the area was the subject of a development study and is a development area. The consultants reported—and Ministers have access to all this material—that an additional 142 hospital beds would be required by 2031, that an extra 84 beds in the community would be required, that 56 additional day care places would be needed, that the area would have to be able to deliver 100,000 accident and emergency admissions, that an extra 3,000 999 calls would have to be capable of being dealt with, that a further 1,100 initial meetings with a district nurse would be required on top of existing numbers, and that an expected increase of 200,000 in general practitioner consultations would be necessary.

Those are very significant numbers, as I know the Minister will appreciate. In that context, I ask myself what, in reality, seems likely to be delivered. I am not a harbinger of doom. I go about my business with an additional glint in my eye and spring in my step on a daily basis, and the Minister certainly would not accuse me of spreading gloom and doom. However, I have to temper my natural enthusiasm for life with a recognition of the constraints under which we are operating and the obvious disparity between what Hedra consultants are saying we need, and what seems likely, on present trends, to be on the table. The reality is that in our area we are struggling. We are not vastly expanding health services: we are struggling on a daily basis to keep the ship of state afloat. The Vale of Aylesbury primary care trust has a very substantial deficit which it is seeking to reduce and ultimately, perhaps, to eliminate. To put it bluntly, the order of the day in our area is not "expansion, expansion, expansion"; it is "cuts, cuts, cuts." It is the responsibility of local Members of Parliament to seek to resist or mitigate the effects of those cuts, in the interests of our constituents, as best we can, while lobbying Government for the best possible allocation of resources to meet local need.

The fact is that we have a cuts agenda locally, not an increased resources agenda, and I say to the Minister that, as in respect of infrastructure, there is an issue in respect of the development of the health service. What we need is not the belated provision of partial infrastructure, but the timeous and parallel provision of the necessary infrastructure. Very often, as the Minister will concede, the history of development shows that when we get the houses, we get the infrastructure either late—and often inadequate—or simply not at all. That will not do. We must have the resources on time; otherwise, we will not have that symmetrical and sustainable development to which—rhetorically at least—we are all are signed up.

In relation to health provision, I know from the evidence of my local GPs, as does my hon. Friend the Member for Aylesbury, who has eloquently made this point on previous occasions, that frequently there is a huge time lag—a time lag of up to 18 months—between the arrival of new residents in the area and the passage through the primary care trusts and to GPs' surgeries of the necessary capitation payments that allow for the provision of the additional facilities which, frankly, we should be able to take for granted. Those are very big and important issues, and I would welcome Members' comments on them. The fact is that there is a huge funding challenge: funding of infrastructure; funding of our health service; funding of education facilities; funding of adult arrangements and social care provision; and funding of the Thames Valley police force, one of the worst-funded police forces in the country.

Of course, the Minister will say that that is a matter for his right hon. and hon. Friends at the Home Office, and I accept that in departmental terms that is so. Equally, I hope that he will acknowledge the responsibility to try to ensure that there is joined-up government in these matters. A great deal is expected of district and county councils by way of commitment to development, and it is perfectly proper for the Government to take a view as to which areas should develop.

I myself have tried to be and will continue to be thoroughly constructive in these matters. I think it comes with the turf, just as it does for district and county council leaders. We do not just say "the houses must go to Hull," because that is not a responsible position, and it is also, ultimately, a rather selfish stance. It is fine for people who have houses, who live in my, on the whole, fortunate, successful and affluent constituency, but we do need to provide additional housing, and I am quite happy to play my part in selling the case for necessary development, on the understanding that I am also selling the case for sustainable development. I cannot realistically, in all conscience, be invited to tell my constituents that they can have the houses but will not get the infrastructure.

My ambition is simple: I want a sustainable development that will lead to improvement, not deterioration, in the quality of life of residents of the Buckingham constituency. I hope that the Minister can help me to achieve that for the benefit of my area. I look forward to what the hon. Member for Chesterfield, my hon. Friend the Member for Beckenham and the Minister have to say.

10.5 am

Paul Holmes (Chesterfield) (LD): In following the hon. Member for Buckingham (John Bercow), I want to congratulate him on securing this debate. In his speech, the hon. Gentleman said that he hoped that the Minister would not accuse him of a polemical rant. There is no danger of that, for every time that I hear the hon. Gentleman speak, on whichever subject, he always puts forward the most rational, coherent and reasoned analysis of that topic. That is absolutely true on this occasion, and I would not disagree in the slightest with a word that the hon. Gentleman has uttered. I will simply try to add my comments as an outsider, who has never, as far as I know, been through Aylesbury Vale, let alone visited it, so I bow to the knowledge of a local expert.

This is the second debate in which I have participated in the past two or three weeks where the Minister and

the Front-Bench spokespeople have been outsiders. They are no experts on the issues that we are debating. One debate was on local government reorganisation in Norfolk, and now we are on housing development in Aylesbury Vale. Is that really the best way to run the country and make policy on such local issues? The people who should be deciding on the best shape of local government reorganisation in Norfolk are the locally elected politicians who represent their communities. Those who should have the power and control to decide on development in Aylesbury Vale—or, indeed, in my constituency of Chesterfield or anywhere else in the country—are the locally elected politicians. They know their communities and their local conditions and circumstances.

That is how the power would be held more or less anywhere else in Europe, including Scandinavia, or the United States that I have visited. We are the most centralised of the western democracies, with 90 per cent. of our taxation raised in London and handed out, with strings attached, by various Ministers to various arms of local government—and, unfortunately, increasingly to local quangos that are totally unaccountable, unelected and appointed. This debate is a classic illustration that that is not the way, and we should reverse all of that. The local knowledge on how to implement housing growth, for example, is far superior to that of any politician speaking in this place who is not a local, or to any Minister or civil servant sitting in their offices in Eland house off Victoria street and deciding what happens, in fairly minute detail, across the whole length and breadth of the country.

For example, I know that central Government have expressed some impatience with what they perceive as unnecessary delays with some housing development in Aylesbury Vale. Yet if we look at the local circumstances, we can see some good reasons for that. One development at Berryfields, for example, where all of the section 106 agreements have now been signed, has taken some time to negotiate since there were a considerable number of small developers involved and the local authority had to do separate negotiations with every one of them. That is quite complex, and I know that the local authority is now looking to try and deal with those problems differently, by having lots of pre-planning meetings before planning applications are even submitted and by adopting the simplified tariff approach pioneered by Milton Keynes. I know, from talking to Barratt, the FTSE 100 company that builds 10 per cent. of this country's houses every year, that it is full of praise for such a simplified approach. Where there is a flat tariff, it knows what it is going to pay on every building that it puts up, and it does not have to get into the same detailed level of local negotiations each time. It is simpler for everybody.

With another development, the Princess Mary hospital in Wendover, there has again been central Government impatience about how quickly the local authority gets on with building new houses. Yet there, the problem is not with the local authority but with an arm of central Government, because the Princess Mary site is an ex-Ministry of Defence hospital. The problem is with the Ministry of Defence and the Government side getting their act together to move the process on. Central Government are so quick to blame local authorities on all sorts of issues, but closer analysis often reveals that the problem is much more complex and may indeed sometimes lie with central Government.

Another issue, which the hon. Member for Buckingham perhaps skirted around when he discussed eco-towns, is private developer Greenway's proposal for Aylesbury Vale. Greenway suggests that it could build an eco-town, although, as we have heard, the conditions under which it could do so are not yet known and are in the gift of central Government. There is a suggestion that Greenway's proposal, which is to build 4,000 houses just north of Winslow—a town with just 4,000 residents, not 4,000 houses—would hardly qualify as an eco-town. The proposal would create huge infrastructure problems, and we have heard lots of examples of that. Traffic in the area is already way beyond capacity, and building another 4,000 houses would create huge infrastructure issues.

Greenway suggests that it can build a relief road to get around the problem, but when would that infrastructure be built? The proposal appears to be to build 200 houses a year over 15 years, but would Greenway build the relief road before the 4,000 houses, given that the local roads are already over capacity, or would it wait 15 years, until it had built all 4,000 houses, which would obviously be the wrong way to do it? There are therefore lots of local issues, and the county, district and borough councils involved are far better placed to understand and deal with them than anyone in central Government.

Other infrastructure issues have been touched on, and I want to explore them further. We are talking about building large numbers of houses in the area. Milton Keynes, which is just over the border from Aylesbury Vale, has the greatest planned housing growth in the entire south-east, and some of that massive growth may spill over into Aylesbury Vale. Although that is an issue for discussion and some disagreement, Aylesbury Vale itself has the third-largest planned growth in the south-east. If house building takes place on such a massive scale, there will obviously be huge infrastructure questions, which the hon. Member for Buckingham has raised.

Road issues have been mentioned, for example. The A413 and the A418 are the two main roads in and out of Aylesbury, but they are already over capacity. We may end up building large numbers of houses on greenfield sites north, east or south of Aylesbury. Interestingly, we have not had mention of building on the green belt, and although the distinction between green belt and greenfield is pretty clear, people often confuse the two. In this case, nobody is saying that we cannot build on green fields, and there are plenty of places to build in a rational, planned way, so that, thankfully, does not seem to be an issue here. However, if we build large numbers of houses on what are essentially greenfield sites, we will create an awful lot of extra traffic. Unless we build everybody a light railway or other railway system, there will be a lot more car traffic, which will require a lot more roads to be built in a planned way before, not after, the development is opened. If the local road structure, including the A413 and the A418, is already over capacity and more or less gridlocked at rush hour, we cannot possibly throw huge amounts of extra traffic on to it without completely bringing to a standstill not only the central town of Aylesbury, but outlying villages such as Wing and Bierton, which already have huge problems and need new road networks now, not when thousands of extra houses are built in the area.

[Paul Holmes]

On rail links, the north-south links are, as always, fairly good, but the east-west links are not very good. There is strong pressure in the area to reopen the east-west link, with a rail line from Aylesbury to Milton Keynes, but where would the funding come from? Would it come before or after significant housing development creates even more pressure, because roads either do not exist or are massively congested? If we want to get people out of cars and on to rail, we must have the rail network before the event, not after, when areas are already gridlocked and congested.

I also want to pursue slightly further the issue of electricity. There are all sorts of examples relating to the EDF issue, and I have a copy of the detailed five-page letter—hon. Members will be relieved to hear that I do not propose to read it out—that Alan Sherwell, a councillor on Aylesbury Vale district council, wrote to a Minister in the Department on 19 October, although he has not yet had a response. It is a detailed letter on one specific issue—the infrastructure for the electricity supply. Given the number of houses and the development in the area, capacity has already been reached for delivering electricity. We have heard that if people want to build a new cluster of 2,000, 3,000 or 4,000 houses, they have to provide a new sub-station and new electricity infrastructure.

EDF gives the example of the Aylesbury East grid at Bierton, just north of the town, which is already at capacity. Further development would require more electricity infrastructure. EDF estimates an up-front cost of £6 million and says that, from the order being placed, it would take two years for the components to build the sub-station to be delivered and for it to be built. We are talking about a two-year run-in time and £6 million up front, before progress can be made. Where does the £6 million come from? Does it come in small, piecemeal amounts from different housing developers, most of which do not even have the contracts yet? We have discussed Greenway's proposal to build a road. Would the road come after it had built 4,000 houses or before? From the developer's point of view, it would always be after; from the local community's point of view, it has to be before.

What happens in the case of EDF? Do the Government step in with a private company such as EDF and provide the up-front funds to allow the infrastructure to be put in place before the houses and, we hope, the offices and other units required to provide employment are put in place? There is a major issue in relation to the two-year gap or run-in time between order and completion. The infrastructure will have to be in place before the houses are built, but who will provide the money? EDF is not. Small, piecemeal developers are not; they would not be capable of providing all that money anyway. Who will fill the infrastructure gap, which in this case relates specifically to electricity?

Then there is the employment issue. If we massively expand the housing capacity around Aylesbury, Aylesbury Vale and Milton Keynes just next door, where will those people find employment? Will they all be commuters, heading into London? The railway route from Aylesbury to Marylebone in London is already at capacity. The line is partly shared with London Underground and there is no more capacity on it. Where will the tens of thousands of people who will live in the extra thousands of houses over the next few years work?

The hon. Member for Buckingham talked about sustainable community development. If it is to be sustainable in every sense of the word, where will the people work? Local employment must be provided, because those people could not use the existing transport capacity in terms of road or rail to commute to London to work. One fear of local government in Aylesbury Vale relates to the fact that it is under pressure from the Government to keep hitting central targets on development of housing. Some of that pressure could lead to the use of land that is suitable for developing industrial parks and office parks that would provide employment for the growing population, but there is pressure to release such land quickly for housing. Some land is suitable for employment purposes or housing and some land is suitable only for housing. What a short-sighted mistake it would be if, in pursuit of centrally imposed targets and pressure, houses were built on land that was suitable for employment purposes and then in five or 10 years people turned round and said, "But where are the jobs for these people? Where can we build the employment parks?" We must have infrastructure planning, whether it relates to road, rail, electricity or employment. We have to sort those issues out up front.

John Bercow: The hon. Gentleman is making a compelling point. It would be an irony indeed if the displacement of appropriate business premises on the one hand and the paucity of wider infrastructure on the other proved to be the lethal cocktail that discouraged enterprises from taking root in Aylesbury. Does he agree that the proposal that we should be thinking in terms of an extra job per household is very modest? We have to be 21st century about this and realise not only that two people in many of these households will want to work, but that they will need to do so.

Paul Holmes: As always, the hon. Gentleman makes a very good point. The local council has talked about wanting at least one-to-one sustainability in terms of new employment for new housing and a new population, but one house does not equal one person seeking a job. Couples today expect that both people will work more or less throughout their adult lives. One of them may be part-time for part of that, but they will be working and both will be full-time for the bulk of their working lives. Of course, when children become adults, they are often in the original family home—I know, as I have two adult children who rarely seem to be out of the house, even though they have left home—as they cannot afford to get on the housing ladder until much later in their lives than our generation used to expect. One home may well have not one person but two, three or four who are looking for employment in the area, just as it may well have not one or two but three cars. Runaway housing development, with no employment infrastructure, will cause massive problems a few years down the line.

I saw an example of that recently on a visit to the High Peak of Derbyshire, an area that I know well—I worked there for 17 years. There was an industrial estate, and the eyes of some people there lit up with pound signs at the thought of selling it off for housing development. The value of the land for housing is immeasurably higher than its value as industrial land. There is huge pressure to sell land for housing, but

where then will be the jobs for people living in small communities, in that case in the High Peak of Derbyshire and in the case that we are discussing in the largely rural area around Aylesbury Vale? We cannot have everyone commuting to Milton Keynes and London when the road and rail infrastructure either does not exist or is already overloaded before many thousands of extra houses and tens of thousands of extra people are added.

We need joined-up thinking and planning, and we cannot just leave it to piecemeal developers and local authorities, whose financial capabilities are restricted because central Government control 75 per cent. of their finances and what they can borrow to invest. The Government do not want to affect the public sector borrowing requirement, hence their disastrous policies on social housing to rent and stopping the building of council houses entirely for the past 10 years. In that climate, local authorities cannot deal with the problem on their own. Both the other parties keep talking about localism, even though they destroyed it, starting in the 1980s and continuing in the 1990s. If we were to reverse the central control, local authorities would have the power to raise funds for local infrastructure and to plan and decide locally, as they do in France, Germany, Sweden and southern Illinois, all of which I have visited. That power does not exist in this country at the moment.

Central Government should have a light touch and not impose hard, centrally driven targets that are not suitable for local circumstances. They should get their act together and, as has been mentioned, provide the infrastructure of road, rail, schools, health services and employment before they rush into building huge housing estates with thousands of houses, tens of thousands of people and no local facilities to serve them. It must be planned well, and who should the Government listen to in that planning? It must be local people, communities and their elected representatives. They are the experts, and they know their area, its problems and the places where building could or could not take place far better than anyone sitting in the offices at Eland house on Victoria street, just up the road from the Houses of Parliament.

10.23 am

Mrs. Jacqui Lait (Beckenham) (Con): It is a pleasure to follow two such eloquent speeches. Before I go into detail, I need to declare an interest. My husband is the deputy chairman of the South East England Development Agency, which has a core part to play in any development. He is also, as leader of East Sussex county council, a member of the south-east county leaders, who put forward what is in effect the final plan that the inspectors came up with on housing development in the south-east. I also have some knowledge of the area in question, as a member of my family lives in the vale of Aylesbury.

I congratulate my hon. Friend the Member for Buckingham (John Bercow) on securing the debate, and I am sorry that my hon. Friend the Member for Aylesbury Vale is not here. Or is it Aylesbury?

John Bercow: Aylesbury.

Mrs. Lait: My apologies; I was referring to my hon. Friend the Member for Aylesbury (Mr. Lidington). The debate has given us the opportunity to listen to my hon. Friend the Member for Buckingham in full flow, and when he is in full flow, there is nobody better in the House to explain a complex situation.

It is not often that a Conservative will say that they broadly agree with a Liberal.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Shame.

Mrs. Lait: I know—it is a stain on my record for ever more. The points made by the hon. Member for Chesterfield (Paul Holmes) were, in principle, ones with which I thoroughly agree.

This is not the first time that I have stood up in this Chamber and discussed the subject. In fact, I think that I was possibly the first Member of Parliament to raise the issue of overdevelopment during the past 10 years in my constituency. Yet again, I am familiar with the arguments. The other strength that I hope I can bring to the debate is that as a Scot, I was brought up near Glasgow. I have experience of the enormous council house estates, or schemes as they are called in Scotland, built all around Glasgow, Edinburgh and Dundee—mono-housing with no infrastructure, no jobs, no shops, no churches and no pubs. The Scots are living with the consequences 50 years later. The last thing that I would wish on any community is mono-culture housing that creates the social problems that we have seen Scotland suffer from, as well as other parts of the UK—Newcastle upon Tyne is a particular example.

Paul Holmes: Let me maintain the unusual harmony between me and the hon. Lady: she has talked about huge council estates in Scotland and the problems that they created, but that is not only a problem with huge council estates. In my constituency, a development of 3,000 to 4,000 houses on the Peak district side of Chesterfield is privately built and in a desirable area but has no community room, no schools and no facilities. Everyone has to travel out, even to take their kids to infant school. People cannot walk to school, so they have to drive. That is a problem not only on council estates, but on huge modern estates of any kind.

Mrs. Lait: I agree. The oldest exemplar before us is the case of the housing schemes in Scotland, and any mono-culture development of any size has to be avoided. That is why I congratulate my hon. Friend the Member for Buckingham on mentioning so strongly the need to create a sustainable community. That is what the Government tell us that they want to do, and we have to take them at their word.

Like my hon. Friend, I accept absolutely the need for more housing. There is no argument about that in any political party. The argument is precisely that which was put forward by both hon. Members who have spoken: do we have a top-down imposition of housing or a bottom-up acceptance by the local community where they see the communities develop and feel that they are in control of that? That is where the debate will lie.

The debate is encapsulated by the Housing and Regeneration Bill, which has just had its Second Reading, and the Planning Bill. The Government are dictating to local communities. However much the Government say that consultation has been brought into the system,

[Mrs. Lait]

essentially there is a top-down imposition of targets. Our communities are against all development because they feel that they have lost control and that the only thing that they can do is object. The planning system is brought into such disfavour in communities because a local developer—or any developer—puts in a planning application, local people object, it is turned down on perfectly rational grounds by the local planning committee, the developer appeals and almost invariably the planning inspectorate is suspected by our local communities of carrying out the Government's wishes—it does not, and I exonerate it from wishing to do so. However, local communities perceive that the inspectorate carries out the Government's wishes. That does nothing for the acceptance of planning developments, because people get cynical about the whole system.

In my view, and those of many others who have read the provisions in the Planning Bill, the Government's attempts to tighten even further local communities' development difficulties will only exacerbate that situation. However, this is not the place—I can feel you getting twitchy, Mrs. Humble—for a long dissertation on the faults of the Bill; that will be for Second Reading next Monday. However, the issues exemplified by today's debate have arisen because people feel that they have lost control.

I, too, wish to hear from the Minister whether the Government accept the south-east plan, as reported by the inspectors, which represents a reduction on the numbers wanted by the Government, and a minor increase on those wanted by the south-east area—I am using the broadest definition of "south-east". However, I understand that 29,000 houses a year are being built in the south-east area anyway, and it is believed that a figure of 32,000 is not beyond the realms of possibility, but more than that will be an unacceptable number for the south-east.

Returning to my comments about mono-housing, there is confusion over the definitions of affordable housing and social housing. My hon. Friend the Member for Buckingham referred to the need for both low-cost housing for purchase and an increase in the rented sector. Unfortunately, however, the two have become interchangeable, which might well impact on the Vale of Aylesbury. If it is not clear that social housing is merely a part of affordable housing, and if it is defined as affordable housing only—if the two become synonymous—we could go back down the route of a mono-culture development. We need to maintain the difference between the two.

My hon. Friend the Member for Buckingham terrified me with the estimate by Roger Tym and Partners of £760 million for infrastructure, although I suppose that I should not have been terrified. If I understood his figures correctly, he said that Buckinghamshire county council has received £31 million in infrastructure money so far and will receive another £30 million. If we accept the consultants' figures, there will be a £700 million gap in infrastructure money in the Vale of Aylesbury alone. He also referred to the community infrastructure levy proposed in the Planning Bill, but the Bill does not make it clear how that levy will work. The nice fluffy idea is that developers will pay the levy and that it will be based on the Milton Keynes tariff. However, people are deeply suspicious. My memory is that the public spending statement mentioned that the regional development agencies, which will be responsible for planning and housing, will also benefit from the levy. If they are to be included, and if the £700 million infrastructure costs for the Vale of Aylesbury are to be covered entirely by the CIL, how much will developers have to sell their houses for in order to pay for it? I am sorry, but I am not a sufficient mathematician to work that out.

Paul Holmes: On the Milton Keynes tariff, Councillor Isobel McCall, the leader at Milton Keynes, has warned that although the tariff simplifies things very much and goes a long way towards allowing the local authority to provide an infrastructure, it is not enough. The local authority ends up making bids for money from various different pots to try to stitch together enough to put the infrastructure in place. The system needs changing.

Mrs. Lait: The hon. Gentleman has put his finger on some of the difficulties of the tariff. I hope that he will serve in Committee on the Planning Bill; if he does, he will discover that the clauses on the community infrastructure levy are bland, to say the least. We do not know whether the tariff will be a set tariff; if it is, we will, of course, have difficulties with values throughout the country. If it is based on a tariff system, the same point will apply. However, if the Government expect the community infrastructure levy to fund the infrastructure in one small area with the sum of £700 million, I suggest that the houses that will be built must be over the £1 million mark. That is hardly social or affordable housing, with the best will in the world. It would produce a monoculture of millionaires, and I do not think that we want that in the Vale of Aylesbury.

John Bercow: I, sadly, will be deprived of the joys of participating in the Planning Bill Committee, but Val Letheren, Martin Tett and Carole Paternoster, county and district representatives in my area, are anxious for reassurance about the community infrastructure levy. The expectation of funding so much from such a modest instrument seems an enormous one. Is my hon. Friend aware that on the strength of the record of the planning gain supplement, top-slicing is the order of the day? Not only are we expected somehow to raise huge funds locally, but we are not even allowed to keep the bulk of them.

Mrs. Lait: The difficulty that we have is that the Bill is totally opaque—it does not explain. We have been assured that the clauses will be brought forward while the Bill is in Committee.

Mrs. Joan Humble (in the Chair): Order. I remind the hon. Lady that we are talking about development in Aylesbury Vale. I have allowed some debate about the Planning Bill, because of issues about how development may proceed, but I hope that she will return to the issue at hand.

Mrs. Lait: I dearly wish to keep in order, and frequent references to the Vale of Aylesbury have so far helped me to do that, but we can envisage, projected forward—at least I have avoided the phrase "going

forward", which should be struck from the English language—difficulties with the provision of infrastructure, and the Government's approach to its development, in the proposed new system.

On infrastructure, my hon. Friend the Member for Buckingham and the hon. Member for Chesterfield both rightly raised not only the issues of shops and churches, but the more fundamental issues of transport and of energy and sewerage provision. I shall get into trouble again, because I wonder whether the Minister can advise us whether the provision of the energy required for a development, such as the one in the Vale of Aylesbury, would be regarded as coming within the responsibilities of the new infrastructure planning commission. The White Paper suggested that there might be five to 10 national infrastructure issues. I understand, informally, that that has been increased to 40, or possibly 80. However, we are still trying to find out what might be regarded as a national infrastructure issue. Might it be argued that a power sub-station for 5,000 new houses—it is 5,000—in the Vale of Aylesbury is relevant to the national infrastructure commission? Might the required new roads and railway lines be relevant, too, and might they be brought within the new system? If so, any new development in the Vale of Aylesbury would, I suggest, be delayed yet further as such issues are worked out through the new structure.

Some real questions must be asked about how the infrastructure will be developed within the Government's proposals. Indeed, if any such proposal were to win an eco-town award, again one would ask whether it was relevant to the national infrastructure, because if it was, it would have to go right the way through the new infrastructure planning commission, which is, theoretically, meant to speed things up. It will be an interesting debate to determine whether the commission does that.

There are real questions, which I hope the Minister will answer, about the proposal to build in the Vale of Aylesbury more houses than local residents currently feel able to take. In the 50 years since I first visited that part of the world, I have seen huge expansion in the area. The ancient villages and towns have expanded beyond any recognition. Local people are prepared to accept further development, but unless they feel that they have control over the amount of development, that they accept it, and that they are prepared to live with the consequences and the requirements, so that they can secure a doctor's appointment and a school for their children and get to work more locally than before, the Government will face a form of civil breakdown, which I am sure they would not wish for and which, in their heart of hearts, they would never have envisaged.

If communities do not accept and believe in their own area, one way or another we will face real problems. I very much hope that the Government take that dire warning on board. None of us wishes to see it happen, and we do not encourage it. We believe that more housing is needed, but unless people accept that need and own it, real problems will emerge.

10.43 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to participate in this debate under your chairmanship, Mrs. Humble. It does not seem too long ago that I responded for the Government in an equally important debate, in which you participated, about the economic regeneration of Blackpool. However, it is nice to see you in the Chair for what has been a good-natured and illuminating debate this morning.

I congratulate the hon. Member for Buckingham (John Bercow) on securing the debate. When I was appointed a Minister, he was one of the first people to congratulate me and send me a note, for which I was grateful. His courteous and, it must be said, positively cutting manner, his eloquence in the Chamber when holding the Government to account and his hard work as a constituency MP are a real pleasure to watch. His membership of this House raises the parliamentary average, and I am grateful that he is a Member.

I genuinely think that it has been a good debate. The way in which we plan and deliver the development of local communities to maintain and improve on our strong economic performance and to provide much-needed additional housing, while imposing and securing sustainability in every sense, is among the most challenging issues that we face. I welcome the opportunity to respond, and I have enjoyed listening to hon. Members' contributions. However, I am afraid that I must disappoint the hon. Gentleman—I am sure that he knows this—in his request for me to comment on precise housing numbers. He knows that I am constrained in what I can say because of the current position on the spatial strategy for development of the regions.

The draft south-east plan submitted by the regional assembly underwent extensive consultation and public examination, and the independent panel submitted its recommendations on the draft plan to the Government in August. They are being considered, and we expect to publish our formal response early next year. The response will undergo a 12-week statutory public consultation, and we will then consider the comments and views of all interested parties before preparing the final regional spatial strategy. I am afraid that I must disappoint the House by not commenting further on any detailed aspect of the proposed changes before that process occurs.

The national perspective is important. The recent housing Green Paper set out the Government's ambition to deliver a substantial increase in new housing. The case for doing so is clear. Since the early 1970s, we have been building more slowly than new households have been forming and have experienced a sustained increase in house prices as well as rising numbers on housing waiting lists. As I mentioned on the Second Reading of the Housing and Regeneration Bill last week, poor and inadequate housing can have a major impact on health, well-being and educational attainment.

In Aylesbury Vale, lower quartile house prices are now more than eight times lower quartile earnings, putting home ownership out of many households' reach. More than 2,000 households were on the district's housing waiting list at the end of March 2006, more than double the number for 2002, which is simply unacceptable. To address the situation, we aim to deliver a minimum of 240,000 new homes a year by 2016, with a total of 3 million by 2020. That goal is based on extensive analysis of housing supply, demand and affordability.

We recently established a new body, the national housing and planning advice unit, to provide independent advice to central Government and regional planning

[Mr. Iain Wright]

bodies. The unit's initial advice on the housing numbers published in October underlines the scale of the challenge that we face in meeting our objectives for long-term affordability. It is important that regional planning processes consider an appropriate range of housing numbers with a view to meeting long-term needs. Unless we get it right now, our sons, daughters and grandchildren will lose out. As I said last week, housing will become a source of inequality if we do not act now.

As well as increasing numbers, we must meet high environmental and design standards and deliver thriving, sustainable communities. That has been a theme of this debate, and rightly so. Local authorities, working with residents and local partners, are at the heart of shaping the vision for their locality. I dispute the point that the process has been centrally driven and top-down. The process does not work if that is the case, and it must be bottom-up if it is to work. The importance of local authorities' place-shaping role is reflected in the recent changes to relations between central Government and local government. We have strengthened local area agreements and significantly simplified local authority funding and performance management arrangements.

The planning system exists to help local authorities achieve the principles that I have described. It is a plan-led system, because we need a proactive and integrated approach to development and place-shaping. We are committed as a Government to the principle of sustainable communities. In 2004, we introduced new evidence-based planning systems at the regional and local levels to enshrine that principle. Plans must now be supported by a robust and credible evidence base, and plan-makers must show in a sustainability appraisal that they have addressed sustainability.

Through their local development framework core strategies, local authorities have a clear opportunity to set out the vision for their area for the next 15 to 20 years. They should set out clear strategic objectives for how their areas will be developed and a delivery strategy for achieving them. We recognise that it is important to ensure that the necessary infrastructure accompanies development, which has been another theme in this debate. Local planning authorities must therefore develop a strategic approach to infrastructure provision when preparing local development frameworks and work with infrastructure providers to ensure that they are clear about how the place will look in 15 to 20 years, so infrastructure providers can plan on the basis of a clear picture of the future shape of the place. By working together, those bodies can influence how the area develops.

We appreciate that the infrastructure has to be paid for, and we are putting in place arrangements to help local planning authorities in that. The Planning Bill has been extensively debated this morning—perhaps more than I anticipated. Suffice it to say that the Bill was introduced on 27 November and, as the hon. Member for Beckenham (Mrs. Lait) has said, Second Reading will take place next Monday. The Bill will allow a community infrastructure levy on new developments to support infrastructure delivery. The levy will be a better way to increase investment in the vital infrastructure needed by our growing communities. We believe that it is right and fair that local communities should benefit more from the uplift in land values that arise from planning permissions being granted. The levy will enable that to happen, and we will shortly publish further details of our proposals.

John Bercow: The community infrastructure levy is to be a national instrument. Will the Minister accept, when focusing on an area of intended growth such as Aylesbury Vale, that the order of magnitude of the infrastructure investment required is much greater, and that it will impose greater pressure on the instrument that he envisages?

Mr. Wright: I do not want to pre-empt publication of the community infrastructure levy proposals, but it will be the responsibility of local and regional bodies to work with developers in order to discuss the matter further.

I shall turn to the growth plans, the infrastructure and the support funding and delivery arrangements for Aylesbury Vale and the wider Milton Keynes and south midlands area. By way of background, Aylesbury Vale lies within the approved Milton Keynes and South Midlands sub-regional strategy. The development of the sub-regional strategy was managed by a steering group, made up of representatives from a wide range of local authorities and other key stakeholders. Following extensive public consultation and examination in public by an independent panel, the sub-regional strategy was approved in 2005. As a result, there has already been a substantial opportunity to address concerns relating to growth in Aylesbury Vale.

The planning strategy for the Aylesbury Vale area is being rolled forward for a further five years in the south-east plan. It also considered the possible expansion of Milton Keynes into some parts of Aylesbury Vale. I am aware that Buckinghamshire county council, Aylesbury Vale district council and others with an interest in Aylesbury Vale and the growth of Milton Keynes attended the south-east plan examination and made representations on planning issues in the area.

It will be for Aylesbury Vale district council to bring forward detailed proposals to implement the sub-regional and regional strategies through their local development documents. Those documents will provide further opportunity for public consultation, community involvement and partner engagement, so that delivery at the local level will be shaped to reflect the needs and priorities of the area.

The hon. Member for Buckingham said that the allocation for affordable housing in the area has increased, but only from £407 million to £408 million, and he asserted that it will not stretch to meet the affordable housing needs of the area. The Government are making £8 billion available for the provision of affordable housing in 2008-2011—an increase of about £3 billion over 2007-08. Nationally, the money will provide at least 45,000 new social homes by 2010-11. That is double the number that we saw in 2004-05. It will help 25,000 households into home ownership every year.

A final decision has still to be taken on the regional split of those resources. The proposed allocation for the south-east region is expected to rise to £500 million by 2010-11. That will provide an average of 10,900 affordable homes a year in the region in each of the next three years—about 20 per cent. up on the current level.

Allocations to individual schemes will depend on the quality and value for money of bids submitted to the Housing Corporation.

Eco-towns have been mentioned. They are small new towns of between 5,000 and 20,000 homes. Such settlements would achieve zero carbon development and allow more sustainable living by using the best new design and architecture. Proposals for eco-towns will be assessed against criteria set out in the prospectus that we published in July 2007 alongside the housing Green Paper, and the final decisions, as I shall stress later, will be subject to public consultation and testing in the planning process. At the moment my Department, alongside the Department for Environment, Food and Rural Affairs, the Department for Transport and other key Departments, is assessing the bids that have been received. Hon. Members will understand that I cannot pre-empt that process and comment on any bid. We expect to announce the results in early 2008. Having said that, I reassure the hon. Member for Buckingham that, were an eco-town in his area included in the final list, there would be an opportunity for all interested parties to make representations when the scheme was tested through the statutory planning process. Eco-towns will be part of that process.

Partnership is important, and delivering growth in Aylesbury Vale, as elsewhere, depends on strong partnerships between a wide range of organisations. It is not driven by any one organisation. To ensure that, the Milton Keynes and South Midlands growth area benefits from the establishment of the inter-regional board, which I chair—it probably does not benefit from that, to be frank. It brings together regional and local partners and representatives of the full range of delivery agencies at the highest possible level, with the aim of aligning their spending with the growth agenda and co-ordinating infrastructure investment throughout the sub-region. The board has focused on matters on which high-level executive intervention is necessary to deliver the growth agenda.

At the events that I have attended in the region, I have been struck by the commitment, professionalism and ambition of all the partners concerned, who want to ensure that the area is not just literally but psychologically at the centre of the UK, driving growth and prosperity and ensuring that it is a fantastic place to live. I have been inspired when I have been there—it is a great place to live and, presumably, for the hon. Member for Buckingham to represent.

A local delivery vehicle, Aylesbury Vale Advantage, has been established to co-ordinate plans for the sustainable growth of Aylesbury Vale. The district council, together with Buckinghamshire county council and other local and regional partners, also plays a key role in that LDV, ensuring that the views of local communities are reflected. The LDV is supported by the Government, and we have recently increased the revenue support to it for 2007-08 to £600,000. It has co-ordinated the programme of development for Aylesbury Vale, setting out its growth plans and plans for infrastructure, including the green, social and community infrastructure needed to support that growth.

Infrastructure has been a key theme of the debate. A number of growth area assessments followed the wider sub-regional Milton Keynes and South Midlands study. The growth area assessment for Aylesbury provided for implementation costs to the public sector of some £440 million, divided between utilities, transport, social facilities, affordable housing and urban renaissance. The study went on to suggest that the key implementation issues to be addressed could be summarised as the need for additional funding from the Government for transport, community facilities and affordable housing, the requirement to promote urban renaissance and attract inward investment and the need to constitute a focused delivery agency. The sums given were to be for a long-term implementation programme until 2016. Although the figures have been challenged and new ones are being developed, we have made a start on a funding programme.

I want to address some points that the hon. Member for Buckingham has made. He questioned whether there is joined-up thinking on expenditure on such things as health, police, water and electricity. There has been concern about water, waste water and electricity supplies, particularly in Aylesbury. Although utilities such as Thames Water are under a clear legal obligation to provide both water and waste water supplies and services, we aim to work in partnership with all those concerned. We also recognise the need for the matter to be studied early in the planning process, so that future problems can be resolved.

Hon. Members have mentioned electricity. We understand that there is a bid in growth area funding round 3 to address capacity issues, so I cannot comment directly in advance of considering and determining the funding application. We understand that the electricity distribution company is unwilling to lay out investment in improvements at its own expense and wants someone else to underwrite it, and that will be considered.

I pledge to write to the hon. Member for Buckingham on his other concerns, which I have not had time to address. I hope that he recognises that sustainable growth in Aylesbury is about not only building houses, but providing high-quality, well designed developments with first-class services, where people will want to live. It is about balancing housing provision and expected job growth. We aim to do that in Aylesbury Vale, and to involve the local community and resolve its concerns. I hope that the hon. Gentleman, who has made a first-class contribution, is reassured by those comments.

Public Service Television (Children)

[Relevant document: First Report from the Culture, Media and Sport Committee, Session 2007-08, on Public Service Content, HC 36-I.]

11 am

Mr. Neil Gerrard (Walthamstow) (Lab): I am pleased to have the opportunity to open this debate on children's public service broadcasting. As the Minister will be aware, there has been a lot of concern over the past few months about what has been happening to children's TV. Similar concerns have come from a range of sources, including the Select Committee on Culture, Media and Sport, which dealt with the issue in its report on public service broadcasting in general, Ofcom, which is currently engaged in a major consultation on the future of children's TV, and Pact, the trade association representing the independent production sector, as well as Equity and the Writers' Guild. Parents have also expressed their concern, and Ofcom has spoken to them as part of its research. A huge variety of people have therefore expressed similar concerns about the decline in new UK programmes.

Recently, one British TV programme, "My Life as a Popat", featured a British Indian family. It was the only programme of its kind, but it has gone because ITV has stopped all investment in British children's programming. Under the Communications Act 2003, which specifically referred to a "culturally diverse society", we expect publicly owned public service broadcasters to provide programmes that appeal to a wide range of people, and it simply cannot be right that such programming is disappearing.

In terms of children's broadcasting, the volume of new UK programmes is running at about 17 per cent., although that is a considerable overestimate because it includes all the repeats; if we took those out, that percentage would drop considerably. The number of new programmes is therefore already minimal and under threat of dropping further.

Until relatively recently, there was a choice of programmes on BBC, ITV, Channel 4 and Channel 5, and some of those programmes were excellent. Indeed, just last month, the British Academy of Film and Television Arts gave an award to the makers of "Wise up", which Channel 4 used to fund. The programme tried to encourage children to become engaged in social issues. In one episode, a child wrote in because she was concerned about her mother smoking, and "Wise up" arranged for her to interview the then Health Minister about smoking policy. Such initiatives are really good, but they have disappeared.

Of course, there are concerns about the negative effects of media, including TV, on children, and the toxic childhood campaign has had things to say about excessive time spent watching TV. There are also perfectly legitimate concerns about children being exposed to inappropriate materials on the internet and in video games, and none of us would try to argue that safety issues did not matter, particularly online, or that TV was a substitute for parenting. However, the fact is that children do watch TV, and they are now watching more children's TV, according to Ofcom's figures, despite competition from video games and the internet. We should therefore make sure that they are watching the best, but the best is under threat.

Earlier this year, Philip Pullman—author and signatory to the toxic childhood campaign—was quoted in *The Observer* as saying that

> "we should be able to trust the television channels to create and broadcast excellent programmes for our children, programmes which reflect the lives of modern British children in the society they know as well as exploring the imaginative, the funny and the fascinating.
>
> The fact that such programmes are almost impossible to make today is not due to any lack of talent; it's due to the dogmatic insistence that profit is more important than anything else".

In research carried out by Ofcom, parents expressed very similar views about children's TV. More than 80 per cent of parents thought that public service programming for children was very important, but only 43 per cent. thought that it was being delivered satisfactorily. That opinion gap is much larger for children's programmes than for adult programmes. A YouGov study for the Producers Alliance for Cinema and Television found that 70 per cent. of parents agreed that UK-produced programmes are important and contribute to the UK's cultural identity. The fact is that children like UK-produced shows. I mentioned earlier that 17 per cent. of airtime given to children's programming broadcasts UK-produced shows. However, that airtime receives 34 per cent. of the market share on the basis of viewing figures.

My sons are both adults and well beyond watching children's TV, but I recall some of the programmes around in the '70s and early '80s when they were young. Back then there was a lot of competition between the BBC and ITV, and both produced innovative and engaging programmes, some of which would be recognised by everyone today, such as "Blue Peter", "Magpie" and "Rainbow". Those programmes date back to when there was real competition between the channels to attract audiences. That competition helped to generate better and more innovative programmes.

Investment in children's TV has traditionally come from the main public service broadcasters, such as the BBC and other channels covered by communications legislation. However, in recent years, investment from ITV, Channel 4 and Five has collapsed. According to Ofcom, total investment, over the last decade, has dropped by 50 per cent. However, that is probably an underestimate, because it includes programming commissioned before the most recent round of cuts. Some estimate that the actual reduction, when the latest cuts are taken into consideration, could be as much as 80 per cent. ITV and Channel 4 have stopped investing in UK children's shows completely, and Five has cut back significantly.

The BBC increased investment quite significantly over that period, but now the BBC budget generally is under pressure and there will be significant cuts across the organisation, from which children's TV will not be immune. Over the next five years, we expect the BBC to cut its investment in children's programming by 10 per cent. It says that it can still deliver good-quality programming despite that reduction by becoming more efficient. I hope that it is right. However, a 10 per cent. cut is not insignificant, especially when set against other things that have happened.

There have been improvements in some other places. S4C, the Welsh language fourth channel, has budgeted to spend some £11 million on original programming for

children during 2007. That is way above its share when compared with the percentage of children in the UK who are Welsh-speaking. It is a significant investment. S4C is also looking to expand and produce more new programmes on a dedicated channel. However, with all due respect to S4C—and I am pleased that it is doing that—it is aimed at one part of the UK and a minority of children.

If we consider the reasons for the decline in investment, there is no question but that the emergence of more and more digital channels has resulted in fragmentation of advertising revenues and audiences. Commercially, it is much easier to make a game show than a good-quality children's programme. The huge explosion in the number of channels is making it much more difficult for Ofcom to require broadcasters to provide public service programming and maintain the interests of children. Of course, Ofcom is required to take some market forces into account, too. It is limited in what it can do.

Some people—a minority—say, "Well, the BBC is doing fine, so isn't that enough?" I do not think that it is. The BBC has increased investment, which has cushioned the overall fall. However, despite the fact that the BBC has increased investment, there has been a huge drop. Ofcom has shown that there will be a further drop of as much as 21 per cent. That assumes that the investment from Five does not decline. Even when Ofcom considered the positives, the best and most optimistic conclusion was a rise of 10 per cent. in investment in new UK programming. That optimistic scenario was based on an assumption that the BBC would invest more, when the reality is that the pressures on the BBC will mean that it will decrease its investment.

The consequences of the lack of investment will be that drop in new programming, of course, and a lack of choice. Back in 1998, BBC channels accounted for about one third of all new UK children's programming on public service broadcasting channels. In 2006, that figure was up to 75 per cent. and, following present trends, it will soon reach 90 per cent. I agree that the BBC is doing a good job, but it cannot do everything. I do not think that people want a choice between British shows on the BBC and imports everywhere else. That is where we are in danger of going. People want some genuine choice in public service programming and some creative competition—the sort of thing that was happening in the 1970s and 1980s.

On the new cable and satellite channels, virtually everything is imported. Those channels are responsible for only 10 per cent. of investment in UK programming. That is not surprising—they are commercial organisations that cannot fill the gap left by the main terrestrial broadcasters. That specific point was picked up by the Select Committee, which recommended that the terrestrial broadcasters—ITV, Channel 4 and Five—ought to continue to invest.

Ofcom says that the BBC is not enough. The Government, in a White Paper on the BBC review, said that it was important to sustain the plurality of the public service broadcasting providers, which complement and compete with one another. The BBC itself says that it is not enough on its own. The director of BBC Vision in a speech in July said that the BBC does not want to be a monopoly, and that competition was good for the BBC, as it keeps it sharp.

In relation to the quality and range of original programmes, the Communications Act 2003 says that children's programming is a core part of public service broadcasting. Under the Act, that should be considered across the board—across all the channels. I am sure that it was not envisaged under the Act that there would be just one significant provider. Although the BBC has more than one channel for children, the BBC channels are to a large degree catering for children of different ages, so we do not get that much choice between them. There are some age-specific issues here. The Ofcom surveys and research say that the problem is much greater for children over the age of about nine. The provision for pre-school and early school years is considerably better, but the real holes in programming begin once we get to nine and above.

Ofcom's powers are limited. It is required to report on whether the Communications Act 2003 requirements are being fulfilled. Ofcom is saying clearly that they are not. There are real concerns, especially for children older than nine. Yet that is about as far as Ofcom can go. It can issue advice, as it did to ITV. Ofcom said that reducing children's programming would be a significant change that it would not like—but ITV went ahead anyway.

The question is, what shall we do? Ofcom will be producing a response to the consultation and, starting next year, will be reviewing public service broadcasting. The Government will be looking at the spending. Those things are important—Ofcom doing that work and the Government looking at what comes out of the review—but if we wait for those reviews, we will probably be waiting for a couple of years. Everything that we see now—what is happening with investment or new programmes—suggests that we cannot wait for two years. If we wait, there will not be people to make the shows, because the decline in funding is undoubtedly affecting the production sector. The independent production sector, which made a lot of programming, particularly ITV's, but also the BBC's, consists of freelance writers, directors and performers, who will go somewhere else if the money and work disappear to find other things to do. Already some of the companies in the independent sector are having to scale down. If that happens, it is difficult to see how they can sustain themselves and how new talent can come through.

Yes, we need the long-term strategy, but we also need to think about what to do in the interim. Ofcom has suggested a number of things that could be looked at, and I will mention a couple of them. One would be straightforward investment to provide investment in the production of children's programmes that meet agreed criteria and which is targeted where there are shortfalls, such as for nine-year-olds and above. Perhaps a more attractive proposition would be to look at a tax credit, which could be beneficial and targeted. We have precedent, because we have a tax credit system for British film, which is there to stimulate the production of new British films. A tax credit would be easier to use in TV than in film, because it would be easier automatically to tie it to the fact that the work has been produced for a British broadcaster. One can produce a film, but there is no guarantee that anybody is going to like or distribute it, which is always a danger, but targeted tax credits in the children's TV sector are clearly an option. In the longer term—after the Ofcom review and Government review—if

[Mr. Neil Gerrard]

alternatives were being developed, one would need some form of exit strategy from the tax credit, but I would not have thought that impossible to devise.

Mr. Mark Field (Cities of London and Westminster) (Con): As someone who represents Soho as part of his constituency, I have obviously seen the benefits of having such a tax credit in the British film industry over the past 10 years, but I am sure that the hon. Gentleman recognises that it does not come without a certain amount of controversy and that there has understandably been a paring back. How can we ensure with the tax credit system that we are not just producing a hell of a lot of quantity, rather than having quality programming coming through? The Government have wrestled with that balance over many years. Obviously, there have been financial issues, but there is little doubt that the balance was wrong three or four years ago regarding quality and quantity, and the Government have understandably taken action, as far as the film business is concerned, to ensure that it is put right. I am not sure that tax credits, even for children's programming, would necessarily result in the right answers that the hon. Gentleman seeks.

Mr. Gerrard: I understand the point and I would not argue that a tax credit is the longer-term answer. My question is what can we do immediately in the short term? I hope that over the next couple of years, through the reviews that are taking place and through what Ofcom is doing, we will get some idea of longer-term provision. Can we wait that long before we do anything? Perhaps a tax credit is one way of plugging a gap. I understand about quantity and quality, but we are at such a crisis point that the issue is finding something that stimulates a bit more creative programming in the interim, pending the longer-term review.

John McDonnell (Hayes and Harlington) (Lab): On the tax credit paring back problem, one of the ideas that has been put forward is that the tax credit should be awarded to broadcasters who can demonstrate an investment strategy over the previous three years that includes stability of investment and then growth, so that we are not replacing what would have been otherwise planned.

Mr. Gerrard: I thank my hon. Friend for that point. The conditions attached to a tax credit are obviously critical in making sure that we avoid some of the problems that could otherwise turn up. Channel 4 is one of the channels that ought to look at re-entering public service children's TV. Yesterday, I heard the news that Channel 4 is pulling out of educational programming.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): It is not.

Mr. Gerrard: That was the news. I understand that the programming is not being chopped and that it is being transferred to the internet. It is easy to assume that that means that everybody can still see it, but that is not necessarily the case. Channel 4 could be an alternative home, and it could create some healthy competition for the BBC. It has produced some good stuff—I have mentioned "Wise Up", which recently received an award. Of course, under the Communications Act 2003, there is no explicit requirement for Channel 4 to broadcast children's shows, but we expect it to provide programmes that appeal to a diverse audience and programmes of educative value. Channel 4 seems one of the obvious channels that could step in and fill some of the vacuum, particularly for older children. That is where the biggest problem lies, since the cuts and since Five withdrew from programming for children over seven. We are missing shows that could fit in with Channel 4's strengths.

There is a dearth of high-quality UK-made programmes and a danger of their further disappearance. The evidence is clear that public service programming for children on the commercial channels is under threat. Virtually everybody, including the BBC itself, agrees that the BBC on its own is not enough and that we need intervention. The Select Committee has asked the Government to identify an appropriate number and range of UK-made children's programmes and to take steps to intervene, if there is a shortfall. The Secretary of State for Culture, Media and Sport acknowledged that the Government value UK programming and that there is pressure on commercial broadcasters. Ofcom is still consulting, so I understand that the Secretary of State might not want to specify any particular intervention today, but I hope that he will acknowledge that problems exist and look seriously at what might be done, whether it is tax credit or some other short-term intervention. If we do not act soon, within two or three years it will be too late.

11.26 am

Mr. Mark Field (Cities of London and Westminster) (Con): I congratulate the hon. Member for Walthamstow (Mr. Gerrard) on his thoughtful contribution and on securing this debate. He referred to the profit motive and the lack of profitability of many children's programmes. He mentioned some great concerns, such as that only 17 per cent. of product on our main television stations is home-grown. As he rightly said, the explosion of channels—they are not necessarily widely available, although I suspect that they will become increasingly so to both young and older people in the years ahead—plays its part as well.

It is a little depressing that more of our product is not sold overseas. One appreciates that it might not earn the same enormous sums as "Inspector Morse" or many of our period dramas, but we make some tremendously high-quality children's television that should have a broad overseas market, particularly in the two great economic superpowers India and China.

The hon. Gentleman gave an interesting example, which I suspect was a counter-example, in relation to S4C. I do not know all the facts, but I presume that there is quite a large demand on the Welsh Assembly's education budget to ensure more and more Welsh-language programming. Throughout Wales—not just in the traditionally Welsh-speaking parts in the north and west—children from the age of 5 or 6 are expected to be learning Welsh, and television is an important part of that. I suspect that his example is the exception that proves the rule about the state of children's programming.

This debate is about public service television for children, but as anyone in the TV production world can tell us, some of the current problems stem in large part from proposals for strict new regulation of advertising during children's programmes, and I shall concentrate some of my remarks on that matter. The proposals to restrict advertising have played a large part in the virtual standstill in commissioning, producing and creating shows for young people in all parts of the commercial television world. We all know the acute financial problems faced by the ITV companies as well as Channels 4 and 5 and, as the hon. Gentleman made clear, budget constraints at the BBC will only get worse.

I am not blaming the Government. We now live in a world of many channels, and it is difficult to sustain the idea that there should be any licence fee, let alone one that is so high. I suspect that there is a political consensus that we should get the balance right, but it is almost inevitable that children's programming will suffer. As the hon. Gentleman rightly pointed out, both ITV and Channel 4 have completely pulled out of commissioning new UK children's shows, and Channel 5 has cut back on its range of programming, having already axed shows for older children. In one sense one might think that that would be good news for the BBC as a public service broadcaster. However, as the hon. Member for Walthamstow pointed out, that does not lead to more consumer choice, which I view as the key engine for greater innovation and flair in programming, and for ensuring that we have a product of such quality that it will be marketable on a global basis as I have described.

My instinctive reaction to the news of proposed new regulation is invariably suspicion. In the present context I think that that is justified. I confess that when the body that regulates television, Ofcom, began its widespread consultation, at the end of last year, on a proposal to restrict food and soft drink advertising in programmes with a particular appeal for children, my hackles were raised. I am to become a father for the first time in a matter of five weeks, and I suspect that in the years ahead I shall watch lots of programmes and get used—as the hon. Member for Walthamstow probably did in the '70s and '80s—to hearing children talking about particular products. I might take a slightly different view at that juncture; but, fundamentally, I believe that advertising is one of the most important safeguards for a free and open society.

In principle I do not object to the notion that advertising of dangerous or highly addictive products should be outlawed, but products that are widely and legally available should not be subject at all to advertising bans. Naturally, some intoxicants, such as alcohol, or addictive products such as tobacco, cannot legally be sold to minors, and in that regard it seems to me that commensurate restrictions on advertising such products to minors should be acceptable. However, activists have waged highly orchestrated media campaigns in recent years for a blanket pre-9 o'clock watershed ban on junk food advertising on television.

Richard Younger-Ross (Teignbridge) (LD): Does the hon. Gentleman accept that other products might be addictive to an extent, such as chocolate?

Mr. Field: If that is the case, then one should ban minors from buying chocolate. My distinction concerns products that are considered unsuitable for minors to buy, and restrictions on advertising of such products before a watershed is fine; otherwise, I do not want advertising outlawed.

Mr. Edward Vaizey (Wantage) (Con): Is my hon. Friend aware that there are more fat children in Sweden than in Finland, and yet Sweden has a ban on advertising to children, and Finland does not?

Mr. Field: My hon. Friend is obviously considerably better travelled than I am with respect to such matters, but I look forward to getting a box of Scandinavian chocolates from him before too long.

Ofcom has regarded many of the proposals as disproportionate in the way that they balance economic impact and social benefit. As has been pointed out, two groups stand to lose most from the marketing restrictions: one is, of course, the advertising industry, but the other consists of the many independent television companies that rely on advertising to fund the production of high-quality new children's programming. Perhaps understandably, the advertising industry expresses deep frustration at the recent turn of events.

Recognising the increasing concern about childhood obesity, the advertising industry has proposed some fairly strict new rules on content, such as the removal of licensed characters and celebrities from advertisements that are directly targeted at primary school children. That amounts to an effective voluntary code, albeit one that is established in the shadow of concerted media-led pressure, which one might argue is tantamount to blackmail.

The advertising restrictions originally proposed were specifically targeted at children up to the age of 11, but it now seems likely that there will be an extension to the age of 16. As ever, with any blanket proposal, there is a risk of unintended consequences; and so it has proved. My constituency, and particularly Soho and the west end, contains the heart of Britain's independent television industry. A number of companies that create children's programmes have written to me to say that high-quality and domestically-produced programming has a five-decade-long tradition of excellence, and one that they hope will continue. That thriving and, to a large extent, world-leading industry feels under threat, because of the financial problems faced by ITV, which was previously the biggest single investor in new UK children's programming in the commercially-funded broadcasting sector, and because of the food and drink advertising proposals.

It is accepted that the broadcasters' investment in programming is directly linked to the amount of advertising associated with that programming. By restricting advertising, Ofcom, as the TV regulator, effectively restricts the broadcasters' ability to invest in new UK programming. The advertising companies' lobbyists suggest that the proposed advertising ban would result in a loss of revenue in the order of £40 million a year. According to Government figures, that would fall away over time as advertisers began to adapt to the new rules. However, it is estimated that the average annual investment by commercial channels in new UK children's programming would be about £30 million.

Paradoxically, that would also undermine one of the strongest defences for maintaining the TV licence fee. As the hon. Member for Walthamstow pointed out, we are heading towards the BBC being the only significant

[Mr. Mark Field]

investor in new UK children's programmes. The ban would end the tough competition between the BBC and the commercial sector. Only strong competition will ensure that innovation and flair are at the heart of children's programming, which will be a joy not only to generations of British children but to young people across the world to whom such programmes should be marketed.

The health benefits of reducing the amount of sugar-filled food and soft drinks that children consume cannot be denied. However, other countries have succeeded in stimulating the production of children's television while introducing advertising restrictions. My hon. Friend the Member for Wantage (Mr. Vaizey) pointed out the differing approaches in neighbouring Scandinavian countries. In Australia, where adverts during children's programming have been restricted for some years, the leading public film and television agency invests more than half of its total television funding in children's programmes.

It is fashionable to criticise all such measures as being the result of a nanny state. No one can deny that children need a level of protection greater than that afforded to adults when it comes to the content and surrounding material that they are likely to see on television. Even for the youngest and most impressionable of minds, advertising should be regarded as a positive experience, allowing a younger generation to make a choice about products that it wishes to consume; without that plentiful choice we would all be living in a far duller and a less free world.

11.37 am

John McDonnell (Hayes and Harlington) (Lab): I apologise to you, Mrs. Humble, and to my hon. Friend the Member for Walthamstow (Mr. Gerrard) or being late—the Mayor of London has not solved all the transport problems yet, but I am sure that he will after re-election in May. I have a constituency interest in this matter. White City in west London is in my constituency, and a number of my constituents work at the BBC and have worked in children's television spin-off productions. I am also a member of the performers' alliance parliamentary group and work closely with the Broadcasting, Entertainment, Cinematograph and Theatre Union. We have received a number of representations about the Ofcom review. This debate is timely in setting the climate for the review and trying to influence the agenda that it will address.

I want to address the issues around skills, jobs and the development of talent as the result of the review. We have all expressed the importance of the UK for children's television, and we have a worldwide reputation for creating some of the best children's programming. The children's genre is the UK's biggest television export genre after film and drama, and it accounts for 15 per cent. of all finished television programme exports. Exports of children's programming outperformed exports from all other countries in consultations and research undertaken in recent years. We have acknowledged that it takes great skill and talent to achieve that world-class standard. It takes years to hone those skills and consistently to create world-class children's shows that are exported internationally. The common wisdom is that creating top-class children's programming involves a specialist skill set by its very nature, because it has a specialist audience.

We are proud of our achievements so far. The most important thing about the Ofcom review is that we build upon the achievements and do not jeopardise existing provision. The vast majority of companies that create children's programmes are specialist. The most recent census by the Producers Alliance for Cinema and Television, the trade association for independent producers, showed that the vast majority of children's companies have a turnover of less than £1 million. They make up more than 20 per cent. of the companies within our economy with turnovers of under £1 million, which indicates that they do very little work in other genres. They are extremely specialist, and even the biggest companies in the sector, such as Aardman, Hit, Entertainment Rights and Chorion, are specialists in children's content. When non-children's companies move into children's programmes, they poach staff from within the children's sector to oversee the move, which is what RDF Media has done recently.

My concern is that we are in danger of losing those skills for ever if we do not nurture that sector of the industry. The decline in funding has already hit the production sector dramatically. Independent production companies traditionally made 70 per cent. of ITV's children's programming. They, and the freelance writers, directors, performers and crew members who work with them, have borne the brunt of the cuts in investment. In several of our constituencies, we have seen a number of staff laid off or reduced to short-term working. The decline has not been gradual: ITV's withdrawal from commissioning new shows in early 2006 meant that around a third of the total funds available to independent companies literally disappeared overnight. That would be hard for any business to manage, but the vast majority of children's companies are small, specialist operations, and it has become crippling for a number of them. As the Minister knows, some companies have gone to the wall as a result.

Companies in the independent sector are already scaling down and jobs are already being lost. Several of my constituents in the production sector have lost their jobs in recent months. It is hard to see how new talent will be able to come through in the future and develop the skills needed to maintain our status in this country as one of the world's leading creators of children's programmes.

For the companies that have managed the sudden drop in investment, the BBC is now the monopoly buyer for many types of public service programmes. No one—certainly not the suppliers who make the programmes or the BBC itself—believes that that is healthy. The BBC has publicly stated on a number of occasions that a strong and healthy independent sector is crucial to providing creative competition and fostering innovation. In addition, the dramatic fall in investment is removing the incentive for talented producers, writers, performers and creators to continue to work within this area of television. We have lost a number of creative workers to other fields as a result of that.

Those who continue to work in the sector are seeing ever-increasing pressures on their fees and are more often expected to work outside the standard industry

contracts in an attempt to save money. In fact, they are being exploited as a result of the pressures on them. The fees paid to the so-called talent are being squeezed, as the hourly budgets available for children's programmes are being reduced. It is important to understand that the fees are already modest and are paid for work relating to individual projects, so there is no certainty of continuing income.

I have looked at the minimum weekly rates for performers working in television on Equity contracts, which range from £545 to £640 depending on the employer. That includes transmission on a major UK channel, but it is not a huge amount when one considers that it is paid only for those weeks when the performers are lucky enough to be working. Even so, budgets are so tight that such standard contracts are often ignored within the industry now. That helps to minimise secondary payments, such as royalties owed to performers and other rights holders when a programme is successfully sold or exploited in other markets.

The downward pressure on contracts and fees is now stronger than ever, and many people are finding that it is just not financially viable to carry on within the industry. We need to ensure that there is an incentive for talented people to work in the field, particularly in the production of high-quality programmes for children, and to ensure that those skills are passed on to the next generation, otherwise they will be lost. People entering the industry now need to ensure that they are mixing with the highly talented and creative people who have developed the high-quality programmes that we have seen in recent years.

The Treasury's review of skills set great store by employer-led training, which is one of the key strategies being developed with Skillset, the sector skills council for the audio-visual sector. The strategy has been welcomed in the industry and by the trade union and is the key to the future. Children's programming has traditionally excelled at employer-led training, because, uniquely, it is multi-genre and acts as a microcosm for the rest of the industry. It has been a test bed for new young talent in the industry to develop their skills and often to go on to other genres with equal success. Examples of people who got their break in children's television include—I leave opinions on this to individual taste—Lenny Henry, Phillip Schofield, Ant and Dec and Tony Robinson. As I have said, leave it to individual taste. Behind the camera is a long list of writers, directors and other crew members who learned and honed their skills in children's television.

The question for the Minister as part of the review is who will nurture such talent in the future? It is hard to see how new talent will be able to come through and develop the skills that are needed in the long term to maintain our status as a world leader, if the funding supply is reduced and the financial pressures continue as at present.

If further public support becomes available for children's programming at some future point, whether through a contestable fund, tax breaks, which have been advocated today, or other methods, it would be helpful if a condition of access to the funding were the use of appropriate contracts and respect for decent terms and conditions for those responsible for writing and performing the work. That will help to ensure that leading talent has the incentive to continue working in this field, that we embed skills for the long-term future and that the next wave—the next generation—have those skills passed on to them in an environment in which they are not exploited but incentivised to perform at their best.

11.47 am

Richard Younger-Ross (Teignbridge) (LD): I congratulate the hon. Member for Walthamstow (Mr. Gerrard) on securing this debate on what is a very important topic for a very important industry. Before coming to the substance of my remarks, I want to refer to my intervention on the hon. Member for Cities of London and Westminster (Mr. Field). I think I am in danger of every chocolate company in the country writing to tell me that chocolate is, of course, not addictive. The point that I was trying to make was that sweet things in particular have a moreish taste for children and it is important that we carefully consider how we advertise stuff to children. That is what the Ofcom review did and what we have debated in the House. I think that hon. Members on both sides of the House have agreed that the Ofcom proposals should be put into effect and then we can review them over a period of time.

Will the Minister examine the cost of the advertising ban in terms of the advertising revenues of TV companies? A figure of £30 million is being bandied around, but I do not know whether it is correct. Perhaps the Minister, in his summation of the debate, will tell us. Will he tell us now, or perhaps at another time, whether the ban is having an impact on children's behaviour? Of course, it will not work on its own, because most of children's behaviour in relation to what they eat is about not only advertising, but peer group pressure—it is about what everyone else has. However, before I divert into a health debate, I will give way.

Mr. Gerrard: In some senses, this is no different from the arguments that went on about tobacco advertising and sport sponsorship from tobacco advertising. We have to find alternatives, if we agree that such advertising is not desirable.

Richard Younger-Ross: I take the point, but I am not sure whether I would like to draw many parallels between chocolate, fats and cheese, and tobacco and alcohol. Tobacco is harmful to health. Alcohol in excess is definitely harmful to health. Of course, none of us here would ever indulge in either of those terrible things—at least, I do not in one, but I perhaps do in the other.

In preparing for the debate, I was thinking about my own childhood and the TV programmes that I used to enjoy as a child, and what impact they had upon me. I remember watching every week a programme called "How", which included a lot of scientific explanation. I found that programme absolutely intriguing, and I think that I learned a lot from that. Jack Hargreaves, I think, did a country life programme about fishing and other things, which I was also intrigued by. I remember science fiction programmes like "The Tomorrow People" from when I was a teenager. I remember the first programme of "Magpie" and even appeared on the second programme—I have, I believe, the first ever "Magpie" bird badge ever presented to anyone. As a consequence, I was addicted to "Magpie" for ever afterwards. There

[Richard Younger-Ross]

was also, of course, "Blue Peter", which we would always watch, I think, on a Monday afternoon. I also watched the programmes my kid brother, Paul, used to watch—he was 10 years younger than me. He watched things like "Byker Grove", "Grange Hill" and "Tiswas". I never quite understood "Tiswas", but he seemed to enjoy it.

Then we look at today. I do not know what kids of today watch, because, unfortunately, I do not have any children. Congratulations to the hon. Member for Cities of London and Westminster on his forthcoming parenthood. I am sure that he will have many a happy hour watching TV programmes with his toddlers. There are programmes that have been mentioned already, like "My Life as a Popat" and, of course, the still-ubiquitous "Blue Peter".

Today, the market is very different for children. They can shop around more for media and other activities—they can go online and they have DVDs. When I was a young lad, there was no such thing as a video; let alone a DVD, and there was no way to buy programmes or films in shops. That competition is diversifying the advertisers' market and is partly causing the problem. To say, as I think that some might, that it is the fault of the Ofcom ban would in my view be misleading, because the problem of advertising, as it concerns the main TV companies, is a lot bigger—and in some ways a lot worse—than that. We need to look at the future of TV itself.

The real question about the figures on the number of British companies is whether we should produce here or whether we should import. We can buy in American programmes. I remember a lot of good American programmes, such as "Hopalong Cassidy" and "The Lone Ranger", which we used to enjoy. I do not think that we had many cowboys in south London at the time—actually, maybe we did have a few cowboys in south London, but not with big hats and horses. There was, however, an essential difference between those programmes and British-made programmes. I think it important that children are exposed to programmes that have an inherent British cultural element, and we are in danger of losing that if we allow production to be, in effect, moved abroad, or to be restricted to just the BBC.

One has only to look at examples of British comedy programmes translated and remade in the United States. I watch the UK versions and I laugh. I do not know about other hon. Members, but when I look at the US remakes, I do not understand where they are coming from, because they appeal to a different sense of humour and a different cultural element. We have, of course, different cultural mixes and subcultures in this country, and it is important that our industry tries to reflect that—a programme that I mentioned earlier, "My Life as a Popat", is a very good example of that. The BBC is investing, but it has no competition. If the genesis of the creativity that we had in the '70s and '80s was competition between the independent sector and the BBC, then we are losing that vital dynamic between the two. It is good for the BBC for there to be a flourishing independent children's sector in TV programming.

How much TV children should watch is a matter of debate. Dr. Arik Sigmund and Sue Palmer, the author of "Toxic Childhood", suggest that too much TV is bad. Yes, we all agree that if a child is plonked in front of the TV and left there all day, it is not good for their upbringing. However, restricting the number of TV programmes will not prevent that situation, because, as I have said, there are DVDs, and parents are very good at sticking their children in front of a DVD that they have bought at the local supermarket or on the high street—on the high street, I hope.

Many TV programmes can be good for children, and the debate pack lists several such programmes. "Rainbow" explored language and number concepts; "Book Tower" encouraged creativity and reading; "Art Attack" encourages creativity; the "Fun Song Factory" encouraged young children to dance and sing along; "Fifi and the Flowertots" promotes the environment and health; and "Brainiac" is science made fun. The only one of those that I have seen is "Brainiac", which is an intriguing programme that is very well put together. A 2006 university of Chicago study of 800 schools concluded that an additional year of pre-school television exposure for students in the model had slightly raised average test scores, so the idea that we can let children's TV go to the wall because it is bad for them is wrong.

The question is, what can we do? We could wait for the Ofcom report, but what will we lose in the meantime? Children's TV has expertise, and as the hon. Member for Walthamstow (Mr. Gerrard) has said, we are in danger of losing its writers and producers. The problem is that if we lose them, it will be hard to bring them back later. When the phone-in competition debacle happened a few weeks ago, one suggested cause was the lack of training given to TV producers, which meant that they did not understand what they were getting themselves into. If we lose children's TV programmes, we are in danger of losing the expertise and the training that people have to produce those programmes, and it would be hard to bring it back.

The hon. Gentleman has mentioned tax credits. I shall not today commit the Liberal Democrats to spending £10 million, purely because we all know about the wit of my hon. Friend the Member for Twickenham (Dr. Cable)—I should not like to be on the wrong end of something that he said. However, the idea of tax credit must be examined. The Government should consider that option's costs and benefits, and in particular, the argument that if one increases production, the cost is not a tax loss, because one brings more revenue back into the country, as has happened with the film industry.

11.58 am

Mr. Edward Vaizey (Wantage) (Con): I begin by congratulating the hon. Member for Walthamstow (Mr. Gerrard) on securing the debate. It is customary in such debates to congratulate the Member who has secured it, but my congratulations are heartfelt, because he has brought to the attention of the House an important subject that deserves debate. The debate itself is timely, as hon. Members have made clear.

I also congratulate those organisations that have campaigned so assiduously over the past few months about children's television, particularly the Producers Alliance for Cinema and Television, Save Kids' TV and the Voice of the Listener and Viewer. Some of their campaigning has found its way to stage 1, because it was reflected in the recent excellent report by the Select Committee on Culture, Media and Sport.

It is fair to say that children's TV has been caught in a perfect storm. The Communications Act 2003 removed a direct obligation on public service broadcasters to provide children's programming, replacing it with an indirect obligation to provide children's programming as part of broadcasters' general public service remit. There are the continuing difficulties faced by some of our commercial public service broadcasters, which have led to cuts in children's programming, most notably at ITV. There is also the inevitable consequence of a multi-channel digital environment providing much more competition and choice.

There is also the issue of the forthcoming advertising ban by Ofcom, so ably highlighted by my hon. Friend the Member for Cities of London and Westminster (Mr. Field) in his most excellent speech. Before I move on to the substance of that speech, I will also briefly congratulate my hon. Friend on the news of the impending birth of his first child, which fills us all with joy. My second child will follow his about five weeks later, and I can tell him what he has coming as a new parent. He may represent Soho, but I can assure him that he will not see that place again for the next six or seven years—at least, not after seven o'clock in the evening.

My hon. Friend made a most excellent point, and while it is not my place to question the ban that is now being put into effect, one does wonder about the intellectual coherence of such a ban. For example, I have already referred to the multi-channel environment, but children get their messaging not only from the television, but at the bus stop and on the internet. That ban, which is estimated to cost some £20 million or £30 million of advertising revenue per year, could throw the baby out with the bath water. We might be spuriously protecting our kids from inappropriate advertising, while replacing it with less quality programming to watch in direct consequence. My hon. Friend's points were extremely well made, and I hope that the Minister will take them on board.

As I indicated in my opening remarks, some of the crisis facing children's television might well be an inevitable result of a rapidly changing technological environment. Reference has been made to the Channel 4 announcement yesterday that it is moving its £6 million education programming budget on to the internet. Indeed, from a sedentary position, the Minister's Parliamentary Private Secretary, the hon. Member for Sittingbourne and Sheppey (Derek Wyatt), made the point that the provision is going on to the internet, which reminds us how much we have lost from his elevation, given his candid remarks in previous debates on many issues that have proved so helpful to me as the Opposition spokesman. However, that is not an attempt by Channel 4 to cut its funding of provision for children, but a recognition—made explicit in its announcement yesterday—that providing educational programmes for kids while they are at school is not the best way of reaching them. Most research shows that almost everything that kids learn or watch nowadays is via the internet, so it makes sense for Channel 4 to look at putting things there within its innovative remit.

As the Minister will no doubt say, one aspect of technological change is this peculiar paradox: although there is a crisis in children's television, we have never had so much of it. In the past five or six years, we have moved from having six dedicated children's television channels to having 25 of them, and from 20,000 hours of programming to 112,000 hours of programming, which is an increase of around 500 per cent. The BBC says that it has more than doubled original programming from 476 hours to 1,276 hours, while Five still broadcasts 652 hours. Indeed, public money on original programming has risen from £70 million to £126 million. One could be forgiven for asking, "Crisis? What crisis?", except that when one hears that phrase, one knows that there is a genuine crisis.

We therefore need to narrow down the terms of this debate. The headline of our debate makes it clear that we are talking about the need to preserve plurality and competition in children's programming, above all to preserve a semblance of original, British-made programming for British children. Of the 25 dedicated channels, for example, 18 are owned by American companies such as Disney, the Turner Broadcasting System and Viacom. Indeed, within the hours of programming that I have mentioned, public service broadcasting hours have fallen from an average of around 4,500 to 5,000 hours a year to 4,250 hours. The hon. Member for Walthamstow made it clear in his speech that most predictions see those hours falling dramatically. As we have heard, ITV's hours have fallen from about 724 to 468. In evidence to the Select Committee, the chairman, Michael Grade, was asked whether he could see children's programming forming a part of ITV's main schedules. His reply was explicit:

"In the long term I cannot see it, no".

At this point, it is appropriate for me to congratulate the hon. Member for Hayes and Harlington (John McDonnell) on his excellent speech. He reminded us again what a fine leader of the Labour party we have lost, and how different things could have been, if party members had seen sense in July. He brought alive for us the unique nature and quality of children's television, of our production skills and of the pressures being brought to bear.

John McDonnell: I am about to leave the Chamber for another meeting, for which I apologise. I have made that clear because I did not want the hon. Gentleman to take it as a response to his reference to my leadership of the Labour party.

Mr. Vaizey: I am grateful to the hon. Gentleman—he is more senior and wise than me—for that warning.

The theme of the hon. Gentleman's speech was picked up by the hon. Member for Teignbridge, who focused on the need to preserve British programming and on the innate qualities inherent in it. He got to that point only after a lengthy disquisition on comparisons between chocolate and tobacco. Indeed, at one point I had a vision of his acting as a reverse Willy Wonka, going around closing chocolate factories. I have no doubt that he will be inundated with Wispa bars in the weeks to come, just in time for Christmas. However, he has made some valid points. Among the reams of statistics cited today, it is telling that repeat programmes now form 86 per cent. of children's programming and that original programming has fallen from about 29 per cent. of public service broadcasting to 10 per cent.

That is the crisis that we face. We are considering plurality: is the BBC to remain the sole provider of original children's content; and will we have British-originated programming in years to come? In many

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ways, that change mirrors the decline of the British film industry after the second world war.

Ofcom is conducting a review, which is useful for many reasons, not least because of the international comparisons. I was struck by the fact that, when it comes to intervention, the British model appears to be as stripped back as the German and Spanish models. Even America—it is supposedly the home of non-intervention, but those who study American politics and systems know that it is a highly interventionist and regulatory environment—has a quota system on top of the system that we use. France, Australia, Canada and many other countries have a mixture of output and production quotas, with direct funding and even tax breaks.

If one looks abroad, one realises that countries across the globe value their indigenous broadcasts, although they may not be of the same quality, depth or breadth as British children's programming, even at this late stage. We have a viable, highly successful and high-quality industry, and we should be considering what options we have to help to sustain it. Some of the options are set out in the Select Committee report published recently, and some are set out in the Ofcom review. Those options include doing nothing and allowing the status quo to be maintained—in effect, allowing the BBC to become the only commissioner of British-originated children's programming. However, I doubt whether anyone would be content to leave things like that.

Two viable options are emerging. The first is the tax credit. I hear the point made by my hon. Friend the Member for Cities of London and Westminster about the danger that programmes may be made simply to benefit from the credit. The Government have spent several years trying to get the film tax credit right, which is a useful comparison. Although many in the UK film industry are annoyed at the way in which it has come about, given that less money is now available for UK film, I have to tell the Minister—through gritted teeth—that there is a grudging recognition that the tax credit is now narrowly and properly focused to try to root out abuse of the system. However, it is early days, and I may change my mind on that point.

As I understand it, PACT has proposed a sensible and narrowly focused option of a tax credit worth 30 per cent. of the production cost that will expire in 2012. To pick up explicitly on what the hon. Member for Walthamstow has said, such a tax credit would act as a lifeline for the industry until an alternative model is present. When we talk about an alternative model, we are talking about not only children's television but the bigger picture of what we should do about public service broadcasting in a multi-channel environment. That is the big debate that will kick off early next year, and children's programming will form part of that. In fact, it may form the vanguard of what we do.

The Select Committee, ably chaired by my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), has come up with the idea of a public service fund, which would somehow top-slice the licence fee and give other public service broadcasters a slice of the fee to carry out public service broadcasting. Another idea is to create a public service licence fee pot to allow broadcasters or production companies to bid for funds. That seems to be the most fertile idea that people are debating, and we are looking at it closely. Personally, I do not support the idea of creating a separate channel for or publisher of children's programming or public service content.

Another alternative may be to reconsider and amend the Communications Act 2003, so that we revert to the system under the previous broadcasting legislation, with a direct quota for public service broadcasters. However, that might be the straw that breaks the camel's back, considering the fact that the environment now is so different to that of 15 years ago.

This debate has been incredibly valuable. It has come at the right time, as the overall debate will start to crystallise in the new year. The Select Committee report has been published; we are due to receive the results of Ofcom's review early in the new year; and in the spring, we will see Ofcom's wider conclusions on public service broadcasting. We wait with bated breath to hear the Minister's early thinking. Most hon. Members involved in the debate recognise that we have a fantastic resource in UK-originated children's programming, and we must consider imaginative and sensible ways in which we can ensure that it continues to exist.

12.13 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I welcome you to the Chair, Mr. Bayley. First, I want to congratulate my hon. Friend the Member for Walthamstow (Mr. Gerrard) on securing the debate, which, as all hon. Members have recognised, is important and comes at an appropriate time. I pay tribute to him, too, for the work that he does as secretary of the performers' alliance parliamentary group alongside my hon. Friend the Member for Hayes and Harlington (John McDonnell). Like the hon. Member for Wantage (Mr. Vaizey), I pay tribute to the organisations that have helped my hon. Friend the Member for Walthamstow to get to this point through their work campaigning on behalf of children's programming.

On those rare occasions when we can put partisan political differences to one side, it is important that we discuss the subject in great detail, as we have this morning. The future of children's programming is a serious issue, and it is important that we reach the right conclusion on where we need to be. Before I forget, I congratulate the hon. Members for Cities of London and Westminster (Mr. Field) and for Wantage on the impending births in their families in anticipation of everything going okay.

I do not think that anyone would argue with the assertion made by my hon. Friend the Member for Walthamstow that British children's programming is among the best, if not the best, in the world. I acknowledge all the contributions that make it the best. The point that my hon. Friend the Member for Hayes and Harlington made about the skills base, knowledge and expertise in production companies was not lost on me, and it would be wrong to lose those things. I recognise the urgency of the matter.

As we have heard, we all have rich memories of television from our childhoods. Programmes such "Blue Peter", "How" and "Magpie" have been mentioned, which have not only entertained but educated us

"LazyTown" has been referred to, which I understand is a Finnish programme. It is about healthy lifestyles and, as the Minister with responsibility for sport, I am delighted that we have programmes that help people to have better, healthier lifestyles, so I congratulate that programme.

Children's programmes have raised many matters for people to face and deal with. The "Just Say No" drugs campaign in "Grange Hill" has embedded itself in our national psyche. The hon. Member for Teignbridge (Richard Younger-Ross) mentioned other programmes such as "Tiswas" and "My Parents Are Aliens", which simply make us laugh. The impressions that such nostalgic programmes give us last for life, so we must take this opportunity to consider what will happen in future. I have taken great delight in sitting down and seeing many programmes with my children, who are now grown up and have children of their own, and I now sit down with our grandchildren and watch programmes that impress them. Many of us remember the "Doctor Who" series from when we were children, and it is great for me to sit down with my grandchildren and see them be scared in the same way that I was. We should not forget the impact that successful children's programmes have on our national economy. "Teletubbies" and "Bob the Builder" had enormous worldwide success and are being closely followed by new programmes such as "In the Night Garden", which has captured the imagination of millions of children.

It is sad, although appropriate, that we are concentrating not on the success of children's programmes but on the problems that the children's television industry faces. As hon. Members have said, Ofcom's report on the future of children's television highlighted a number of problems. It confirmed, as my hon. Friend the Member for Walthamstow has said, that parents believe that the UK-originated children's programming is highly valued, but many feel that it is not being delivered satisfactorily, especially in reflecting cultures and opinions from around the UK. Ofcom's figures show that, as has been said, 17 per cent. of children's television is made in the UK, and I acknowledge the point that was made about repeats in that figure. Those programmes represent a 38 per cent. share of viewing, and the majority of them are commissioned by the public service broadcasters.

Children are watching more children's programming, according to Ofcom, and viewing in children's airtime has increased from 27 per cent. to 30 per cent. of total viewing since 2002. As the hon. Member for Wantage has said, at first glance there has never been more children's programming available. There are about 25 dedicated channels, and about 113,000 hours of programmes are transmitted each year. The BBC, which has produced children's programmes since July 1946, launched two digital channels in 2002 specifically for children, and now 80 per cent. of us live in digital TV homes. CBeebies, for nought to six-year-olds, and CBBC, for six to twelve-year-olds, are the two most popular children's channels in the UK. As has been said, there has also been a positive response to S4C's public consultation on its proposals for a new children's channel, especially from parents and Welsh language organisations. That is another interesting opportunity.

If we look more closely, we see that cartoons account for 61 per cent. of the output, and a high proportion is international, mainly American, programming. I am not going to criticise all American programming and animation, as that would be completely unfair. Programmes such as "High School Musical" and "SpongeBob SquarePants" are of a high quality and entertaining. However, there is understandably concern that more programming needs to reflect our culture, in a way in which only programmes such as "Byker Grove" and "Grange Hill" can.

Why are we in the current position? As my hon. Friend the Member for Walthamstow and others have said, it is well documented that ITV has withdrawn from commissioning new children's programming. It was the biggest investor in UK children's programming in the commercial sector, with an input estimated at between £22 million and £25 million a year. The impact of its withdrawal on the industry therefore cannot be underestimated. However, we must recognise that ITV operates in a commercial world and must be realistic about its opportunity costs.

We are moving rapidly towards a fully digital age, and the developments that I have outlined, along with greater restrictions on advertising in and around children's programmes, are challenging commercial public service broadcasters' ability to sustain their public service programming, including that for children. In that respect, I am grateful to the hon. Member for Wantage for explaining Channel 4's position regarding the move from television to the internet, which my hon. Friend the Member for Walthamstow (Mr. Gerrard) mentioned.

Channel 5 is facing the same problems and recently announced that it was axing its programming for older children aged up to 11 to concentrate on television for four to seven-year-olds. It believes that focusing on programming for younger children will increase its chances of generating revenues from merchandising, the vast majority of which come from pre-school programming for under-fives.

The Government recognise that advertising restrictions are having an impact on the industry, and I understand the concerns that the hon. Member for Cities of London and Westminster eloquently raised in that respect. He will understand that increased childhood obesity and poor diet are two of the most significant public health issues in our society, and it would have been irresponsible of the Government not to recognise the need for decisive action.

Mr. Vaizey: Has the Department conducted any study of how quickly the ban on advertising will lead to a reduction in obesity in children and young people?

Mr. Sutcliffe: Not yet, but we are obviously looking at the issue. We clearly have to tread with caution. Along with health and education colleagues, I sit on the ministerial committee on obesity, which must suggest realistic ways of combating obesity, while recognising the impact on industry and the wider commercial world, and we are committed to doing that. In striking that balance, we must help families to lead healthier and more active lives, and a key element of our comprehensive approach is the commitment to changing the nature and balance of food promotion to children.

As a result of wide-ranging consultation earlier this year, Ofcom announced significantly strengthened new rules, including a ban on high-fat, salt and sugar food

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advertising in and around all children's programming, on dedicated children's channels and in programmes of particular appeal to children under the age of 16. Ofcom also set out new rules on the content of advertisements targeted at primary school children, banning the use of celebrities and characters licensed from third parties to make promotional, health or nutritional claims.

We all accept that this is a complex issue, and Ofcom has sought to strike a balance between the need to protect the health of our children and the need to consider the impact on our broadcasting industries and particularly children's television programming. That is why the Government and Ofcom will undertake comprehensive reviews of the impact of the new rules. Based on an extensive regulatory impact assessment, Ofcom has estimated that the new rules will have a net cost to the industry of up to £27 million.

All the issues that I have set out were considered earlier this year as part of Ofcom's review of the future of children's television programming, which was the most substantial analysis of British children's TV ever produced. Ofcom's report identifies a number of options that emerged from stakeholders, to which my hon. Friend the Member for Walthamstow has alluded. One option was to maintain the status quo and leave lead provision to the BBC. There were also broadcaster-focused options, such as a dedicated fund for children's programmes or output quotas. Other options included production incentives, such as tax credits, and I share the concerns expressed by the hon. Member for Cities of London and Westminster about the tax credit position. I also thank the hon. Member for Wantage for congratulating the Government—through gritted teeth or otherwise—on the success of tax credits for the film industry. None the less, the issue of quality and quantity is important, and we must look at it. Finally, my hon. Friend the Member for Walthamstow and Ofcom's review both discussed the option of extending Channel 4's remit or creating new public institutions, such as a non-BBC children's channel.

As my hon. Friend has said, Ofcom's discussion paper is now in the public domain, and the responses to it will form part of the national debate that Ofcom has called for on the future of children's television, and today's debate is an important ingredient in that. The Government will listen to that national debate with great interest, and, again, I acknowledge the urgency of the situation, given the time scales involved. Whatever decisions the Government and others make, it is important to ensure that they are the right decisions. I assure my hon. Friend and other hon. Members that we are fully engaged in this issue. When respected industry figures, such as Anna Home, Floella Benjamin and others speak, we have to listen and take the issue seriously.

We have already engaged with the industry. In April this year, the DCMS organised a seminar, in conjunction with BAFTA, in order to examine the future of UK children's programming. We have brought forward our wider review of funding for public service broadcasting, beyond the BBC, to follow up Ofcom's review of the same subject. That will feed into our work on the implications of convergence, which is particularly important because older children and younger teenagers now watch less television and use the internet and mobile phones more than ever. Those work streams will ensure that we take full account of the changing context of television when considering the place of UK-produced children's programming.

This has been an important debate for reasons outlined. I believe that a consensus will emerge on the need to maintain UK programming and to ensure that we remain the best in this field. We must also acknowledge the impact on skills, which is why the Government have carried out important work to develop skills programmes with the industry. Trade unions in the industry also have a big role to play. We must move this debate forward, because if we do not act quickly, our best endeavours will not be enough to retain the necessary skills.

We must examine and debate these interesting issues more fully. If we do that in the spirit of this debate—putting partisan politics to one side—a consensus can be reached that will enable us to come to a conclusion that benefits this sector.

12.26 pm

Sitting suspended.

Children (Custody/Access)

12.30 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I shall raise specific circumstances in my speech, but I will give those concerned anonymity. I shall make as little reference as possible to facts and dates.

Hugh Bayley (in the Chair): Order. I caution the hon. Gentleman that the prescription must be anonymity. If there is any prospect of identifying an individual case that is before the courts from what he says I shall have to interrupt him; I think that he understands that.

Mr. Doran: I understand, and am fully aware of the requirements.

My constituent and his wife are a mixed-race couple. They married outside the UK but moved to my constituent's home city of Aberdeen some years ago and were habitually resident there. Some time ago, they had a child with a disability. The child was cared for by both parents. The mother left the matrimonial home, taking the child with her, without the father's consent. The father's view is that the child was abducted, and some six years later he still has no knowledge of the child's whereabouts.

Some months after the separation, the father received notice of an order made in an English court. He did not at that point become involved in the case, but made efforts to contact his wife and child, and at the same time sought advice on his position from Scottish solicitors. That process took some time. He was not able to contact his wife and it was clear to him that the Scottish solicitors were not really aware of the English legal position. He subsequently instructed solicitors in England and Wales, and applied successfully for legal aid.

My constituent was very specific in his instructions to his solicitors. He had done some legal research and become something of an expert in the law in this respect. In his view, his wife and child were domiciled in Scotland and his wife abducted the child of the marriage and took her to England without his permission as a guardian of the child. The information that he received from the English courts was that an interim order had been made. His first challenge was that it was made without his being given the opportunity to answer, and he instructed his solicitors accordingly. Secondly, he was of the view that the proper jurisdiction to deal with any dispute between him and his wife was the Scottish courts. The solicitors were instructed to challenge the jurisdiction of the English court and the vires of the order that had been made.

Several months were spent on the legal aid process, but eventually legal aid was granted, but only for involvement in residence and contact. It appears that the solicitors whom my constituent instructed did not raise the jurisdiction issues, and ignored them completely. Those matters are being dealt with separately by my constituent, but in the meantime he attempted to employ other solicitors. It is a common fact of life that solicitors do not want to take on a case that someone else has started, so it is difficult to find a new solicitor. That is exactly the situation in which my constituent found himself, so he decided to represent himself in the courts. From that time he has pursued the issue through the English courts. My constituent was recently advised—I heard this morning—that he has been refused leave to appeal to the House of Lords, so he has exhausted all his remedies in the English courts, and the case will probably go to the European Court of Human Rights.

While he was challenging the issue in the English courts my constituent began proceedings in the Scottish courts for divorce and for a residence order in respect of the child, or, failing that, a contact order. Initially, jurisdiction was not accepted by the Scottish courts because of the English proceedings, but that decision was overturned on appeal. However, the case was later sisted—a Scottish term meaning "suspended" or "put to sleep"—to allow the English court procedure to continue. The legal position in Scotland is that the courts cannot make an order for divorce unless they are satisfied as to the welfare of any child of the marriage. Clearly that was not possible for the Scottish courts in the circumstances and they effectively ceded jurisdiction to the English court, even though that jurisdiction was not fully tested in the Scottish court. The whole case, therefore, including the divorce, cannot be determined until the matter is resolved in the English court.

I want to pursue three issues with the Minister. They might seem technical, but they are extremely important to my constituent, and to the wider context as well. The first relates to an issue raised by my constituent—jurisdiction. The law is very clear. Section 41(2)(a) and (b) of the Family Law Act 1986 sets out the rules for court jurisdiction in relation to child custody:

> "Where a child who—
>
> (a) has not attained the age of sixteen, and
>
> (b) is habitually resident in a part of the United Kingdom,
>
> becomes habitually resident outside that part of the United Kingdom in consequence of circumstances of the kind specified in subsection (2) below, he shall be treated for the purposes of this Part as continuing to be habitually resident in that part of the United Kingdom for the period of one year beginning with the date on which those circumstances arise."

Despite the fact that my constituent's wife and child were habitually resident in Scotland, within three months of their departure from Scotland, the English courts seized jurisdiction and granted an interim order in contradiction of the 1986 Act. For reasons that I have discussed, I have not given precise dates so as not to identify the parties.

My constituent entered into proceedings in the English courts within the 12-month period, but in any case that is irrelevant, because section 41(2)(a) of the 1986 Act states that the habitual residence does not change

> "without the agreement of the person or all the persons having, under the law of that part of the United Kingdom"—

in this case, Scotland—

> "the right to determine where he is to reside".

Section 41(1) provides for a 12-month period, and section 41(2) makes the father's, or any guardian's, consent necessary. However, none of those jurisdiction requirements was met when the English courts were allowed to deal with my constituent's case. The English court had no jurisdiction under legislation governing those matters, but it granted the order anyway. Despite that fact, subsequent hearings, all the way to the Court of Appeal, upheld the order. It is clear from the judgments that the provisions of the 1986 Act were not fully considered. As I have said, my constituent acted on his

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own behalf and had no expert legal advice, and I would hope that the court would take that into consideration. The assumption seems to have been made at every level that after 12 months' residence, the child automatically assumed habitual resident status in England. Nowhere, in any of the judgments, was section 41(2) considered, and at no point did any judge make it explicit that the court took over the father's rights under section 41(2) by, for example, pleading the paramountcy of the interests of the child's welfare.

My constituent believes that his rights as a father have been taken away from him by the courts. It seems that at no stage in his contact with the legal process, whether with solicitors on both sides of the borders, or with the courts, was there a full understanding of the way in which section 41 should operate. Will the Minister address that issue? I have been intimately involved with this case over the past few years, and it makes me very concerned about the way in which, not only this case, but other similar cases, should be dealt with. Scotland has a completely separate legal system, which is entitled to be recognised.

I should like to raise another issue about the operation of the legislation, and the way in which it can prevent a speedy resolution to often very difficult problems. I spent many years as a solicitor in Scotland specialising in family law, so I have some experience of the issue, and know how sensitive the courts need to be and how difficult the issues are. My constituent's position all along has been that the English courts have no jurisdiction and that the case should be dealt with in Scotland. He was advised on both sides of the border that if he made any plea in the English courts for residency or contact, he would put at risk his position on jurisdiction. He was presented with a dilemma. He feels strongly about the jurisdiction issue, and he has pursued it. Apart from the initial error by his London solicitors, he has made no attempt to apply for a contact or residency order. That has worked against him in several ways. He lost the argument about jurisdiction in the English courts, and the judges have made it clear that they are not sympathetic to his case, because they regard the jurisdiction issue as a distraction. He regards jurisdiction as a fundamental issue, and as a Scottish lawyer, so do I.

The 1986 Act exists to regulate processes within the different jurisdictions in the UK, but it seems that it can be ignored at will. That is difficult enough to accept, but if my constituent's advice that he would prejudice his position by presenting a case for residence or contact is correct—I believe that it is—the Government should address the issue. It is in everyone's interests to ensure that family proceedings have "as little bureaucracy"—I put that in inverted commas—as possible. If artificial impediments such as a preliminary plea or jurisdiction can prejudice fundamental issues such as residency or contact with a child, I hope that the Government would want to deal with the matter. I ask the Minister to look at it carefully.

The solicitors initially consulted on both sides of the border and the judge of first instance appears to have acted in complete ignorance of proper jurisdiction in all aspects of the legal process. In such difficult and sensitive issues as residence or contact with a child, the law must be considered and applied meticulously and sensitively. My own experience dealing with family matters in Scotland is that that is generally done, but the Minister will be well aware of the various concerns raised principally by groups representing fathers in custody cases, some of whom have gone to extreme lengths to make their point. My constituent has avoided that, and he has applied himself to studying the legal issues and presenting his arguments, which is the appropriate way to proceed. However, from my considerable contact with him I know his intense disappointment, frustration and sense of unfairness at how his case has been dealt with in every part of the legal process.

As far as my constituent is concerned, the law is explicit about what is intended. He thinks that his rights have been bulldozed in a way that he finds difficult to understand—despite his substantial experience of the law, he is a lay person and not a lawyer. I submit that it is not good for the legal process and not good for the system that that perception should prevail. The case is difficult and the father's choice might not be one that all of us would make, but he feels strongly about the issue. He feels even more strongly that the system is unfair and makes it difficult for people in his position to get the right treatment.

At the end of the day, a young child has been denied contact with her father for several years. The case is likely to progress to Europe, delaying the matter further. The Government should address the issues, and I am anxious that the Minister should do so. I appreciate that she has not had advance sight of my speech, so it will be difficult for her to respond in detail. I do not expect her to do so, but I would be very pleased if she were to write at a later stage.

12.44 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I congratulate my hon. Friend the Member for Aberdeen, North (Mr. Doran) on securing this debate; the subject must be a harrowing and difficult one for him and for his constituent. Any case that involves the relationship of a child with its parents has to be dealt with to the highest possible standards and with the greatest sensitivity. I shall, of course, respond in writing, giving details that I may not be able to provide during our debate.

Although many parents separate amicably and make good parenting arrangements thereafter, we all know that conflicts can arise from separation that are upsetting for all involved, particularly the children. In the vast majority of cases in England and Wales, parents make appropriate and adequate provision for bringing up the children, including making contact arrangements. Usually, they do not need recourse to the courts to achieve that. It can be done in a perfectly amicable, adult and sensible fashion. The Government do their best to give them additional support whenever possible, such as providing better information or promoting alternative dispute resolution services.

In "Parental Separation: Children's Needs and Parents' Responsibilities", which was published two years ago, we set out a range of measures to help yet more separating parents in England and Wales. That document dealt with improved access to quality information, and advice to separating parents that was tailored to their individual needs. It provided an increased focus on delivering

practical assistance and legal help, as well as signposting other appropriate services. It tackled linked problems, to allow parents to find a non-court-based resolution when it was safe to do so, and it proposed the development of alternative dispute resolution services.

Inevitably, some cases come to court. The early identification of harm, with early dispute resolution meetings in appropriate cases, is extremely important. We do everything that we can to encourage the parties to attempt mediation, and, as far as possible, we give greater support to help families make contact work. Section 8 of the Children Act 1989 provides for courts in England and Wales to make four types of orders. A residence order governs where the child will live, and a contact order governs whom the child will see. A specific issue order provides for certain actions to be taken—for example, the child must attend a specified school. A prohibited steps order says what must not happen—for example, that the child's home must not be outside a certain area. Section 11 of the Act provides for certain conditions to be attached to a contact order.

In 2006, more than 90,000 such applications were made, and more than 100,000 orders were made, as many cases result in more than one order being made. For example, a resident parent may apply for a residence order and the non-resident parent may, in response, apply for a contact order. The court may also make an order of its own motion, without an application being made, if existing family proceedings are already before it. A residence order may be shared if the child spends significant periods of time with both parents; and there may be variations in the type of contact for holidays, weekends, overnight stays and so on.

There is a fairly comprehensive package of appropriate contacts for the child. However, it is incumbent on me to say—I know that my hon. Friend agrees—that whatever is decided, it has to be done in the best interests of the child. That is the focus of all our policy on children and contact through the court system. It is always possible that the court can order contact only by telephone or letter or, indeed, that no contact may be made. That is rare, and such an order would only be made if there was any indication that the child would be placed at significant risk.

In recognition of the fact that those cases are private proceedings—that is, that a parent has asked the court to intervene—the court may also order that there should be no order. Such orders are not common, but where parents have an agreed arrangement, it might be better for the child for no order to be made. When section 8 residence and contact applications are made, and where the proceedings are contested, the courts must take into consideration the factors listed in section 1(3) of the 1989 Act, which are known as the welfare checklist. The list is not exhaustive, but it is generally regarded as the minimum that the court would be required to consider. Most importantly, it includes the ascertainable wishes and feelings of the child; their physical, emotional and educational needs; the effect that the changes in circumstances might have on them; and their age, sex and background, as well as other characteristics considered relevant. Any harm that they have suffered or are at risk of suffering clearly has to be taken into account, as well as the parents' ability to meet their needs.

Families end up in court because they cannot agree arrangements between themselves. In some cases, there are serious welfare concerns: domestic violence is an obvious example. In January 2005, we changed the application procedure for section 8 cases to ask applicants and respondents about any risks of harm to the child. If there is an indication of risk, the application forms are sent to the Children and Family Court Advisory and Support Service—CAFCASS—which will conduct certain checks, undertake a risk assessment and advise the court accordingly. From 1 October this year, that is a statutory duty for CAFCASS. I hope shortly to publish an evaluation of the effectiveness of that procedure.

In other cases, there may be concerns about parental drug or alcohol abuse, or mental health problems. The courts can order CAFCASS to consider those matters. It can also ask for a medical expert opinion—for example, from a child psychiatrist if it is possible that the child has mental health problems as a result of the conflict. CAFCASS is available to try to help conciliation between the parents. Often, parents reach an agreement in those cases.

We conducted a piece of research, following parents through the two-year process. The evidence that we have received suggests that that was a positive way of trying to move things forward. In most cases, an agreement about contact was reached or the cases were closed. I hope that in ongoing cases we can continue to improve our services, using that method to ensure that appropriate conduct is arranged. My hon. Friend mentioned the issue of jurisdiction. He cited the Family Law Act 1986, and the fact that deemed residence is only for a year—after that, the general rules apply. After one year, the child could end up being habitually resident in another part of the United Kingdom.

Mr. Doran: Does the Minister accept my point that parental consent is necessary? If the habitual residence changes, that does not happen automatically.

Bridget Prentice: My hon. Friend is right: parental consent is necessary. He has already mentioned the case of his constituent, who has had to deal with some apparently bad advice that he received early on. That is being dealt with separately, but I am happy to write to my hon. Friend with some views on how he might progress the matter, if appropriate. The problem is that the child may become habitually resident in another part of the United Kingdom, and it would be for the courts to make a decision, still with the interests of the child at heart. My hon. Friend's constituent made the application within the year, so section 41, as he mentioned, would apply. If he had not done so, section 41 would become irrelevant. However, even where the order is made in the wrong jurisdiction, it has to be obeyed until discharged, and case law ensures that that is so. The individual could apply to the English court to have that order discharged or, indeed, to the original, correct court.

In the short time available, I should like to pick up a couple of other issues raised by my hon. Friend. It is not right to say that the Act is ignored whenever that suits the court. The Act is designed so that the order protects the child at all times. Courts with jurisdiction can make orders that are recognised and enforced in other parts of the United Kingdom. However, a subsequent court can make a new order, which could supersede the earlier one, but only if it has proper jurisdiction and it is

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in the child's welfare interests. That would apply on either side of the border. As my hon. Friend pointed out, historically, Scotland has its own legal system, which differs in substantial ways from that of England and Wales. That is why we have made provision to deal with contact and residence cases in which people live on different sides of the border. It is possible for two sets of proceedings—one in each jurisdiction—to be under way at the same time. The legislation applying to contact and residence cases in Scotland is different, but both the Government and the Scottish Executive are united in the view that children should have contact with both parents, as long as it is safe and in the best interests of the child.

Finally, there is no bias against fathers in the Children Act. Parents with parental responsibility are treated equally. As I said, the welfare of the child is paramount, and that applies in England, Wales, Northern Ireland and Scotland. The Act is designed to support proper decision making for children, by ensuring that the cases are heard in the most appropriate forum. My hon. Friend has given me a number of details that I want to look at more closely. I will write to him, insofar as I can comment on cases before the court. As he knows, I am limited in what I can say, but I will do my best to give him as much information as possible on that particular case.

Ministerial Accountability

1 pm

Mr. Mark Harper (Forest of Dean) (Con): It is a great pleasure to serve under your chairmanship, Mr. Bayley, and I am pleased to see the Minister in the Chamber. The purpose of my debate is to focus on the way in which Ministers are held accountable by the House, primarily through written questions and statements.

As the Minister will know, I have been in correspondence with the Leader of the House over the rather poor performance of a number of Ministers in answering written parliamentary questions on a named day. Let me set out the reasons for my concern. I asked all the Departments how good they were at giving substantive replies to named day questions. Some Departments do extremely well, and it is fair to say that the Prime Minister and the Leader of the House give a substantive reply to 100 per cent. of questions on the named day, which is very good.

Unfortunately, the same is not true at the other end of the spectrum, in Departments that cover important policy areas such as defence and work and pensions. Only 22 per cent. of questions to the Ministry of Defence received a substantive reply on a named day, while the figure for the Department for Work and Pensions is only 30 per cent. Interestingly, both Secretaries of State are part-time, as they are each responsible for two Departments. When the right hon. Member for Kilmarnock and Loudoun (Des Browne) is wearing his defence hat, he manages to answer only 22 per cent. of named day questions on the due day, but when he is wearing his Scotland hat, he manages a much more impressive 85 per cent. In the same way, when the right hon. Member for Neath (Mr. Hain) is operating in his capacity as Secretary of State for Work and Pensions, he answers only 30 per cent. of questions on the named day, while the Wales Office, which admittedly has a much smaller number of questions to deal with, manages to answer them all on time.

Members have a limited number of ways of holding Ministers to account, one of which is questions, so it is not good enough for Ministers to answer only a fifth of questions on the due day. That is bad enough, but it is difficult to obtain data on the issue. I know from experience that Ministers do not miss the due date by a day or so; often, we do not receive a substantive answer on the given day, and we have to wait for it for a week or two weeks. Departments do not seem to take seriously the importance of answering Members' questions on time and as fully as possible.

Although that may be due to changes in the machinery of government and to reorganisation, neither the Department for Children, Schools and Families nor the Department for Innovation, Universities and Skills—both Departments emerged from the former Department for Education and Skills—could give me the information that I sought, because they simply have no tracking system capable of telling them when they answered questions. I have written to both Ministers concerned, because if those Departments cannot monitor their performance, I do not see how they can be confident of discharging their responsibilities to the House.

I suspect that the Parliamentary Secretary will not be surprised to learn that the Home Office could not answer my question before prorogation, and still has not done so. Its performance in dealing with Members of Parliament is pretty lamentable at best, and it is the only Department that could not answer my question at all. That is not good enough, and I have raised the issue with the Leader of the House, who promised to take action. I would therefore be pleased if the Minister could explain what action has been taken and whether we are likely to see any improvement.

I have a couple of examples to illustrate the sort of questions that do not get answered, and which raise important issues about the way in which we are governed. We all know about the problems at Her Majesty's Revenue and Customs and about the loss of child benefit data. Over the weekend, on a much smaller scale, a similar problem was reported at the Department for Work and Pensions. Discs containing a lot of sensitive information about thousands of customers were left with an ex-contractor, who was no longer entitled to have them. The information was unencrypted and not kept securely, so there were clearly some lapses in information security. I tabled a number of questions about the issue to the Department for answer on a named day—Monday 26 November. I specifically asked the Secretary of State what procedures his Department had put in place to deal with the transfer of personal data, what personal data he has provided to bodies such as the National Audit Office, what personal data belonging to members of the public is stored by his Department and other agencies, and what discussions he has had with his Department's agencies about how they keep information secure. I received a holding answer but, a week later, I still have not received a substantive answer.

They were not complicated questions, and the answers about the procedures that are in place should be available today. One would hope that, given the recent focus in government on information security it would not be difficult for a Department such as the Department for Work and Pensions, which holds data on millions of members of the public, to answer some simple questions, and direct me to the document or website that sets out its procedures for looking after personal data. The fact that I have not had an answer—not even part of an answer—is rather poor, and shows that there is a gap.

There are slightly more amusing responses that show the seriousness, or lack of it, with which Ministers deal with the House. I tabled some questions to the Secretary of State for Work and Pensions about the support provided to the Under-Secretary of State for Work and Pensions, the hon. Member for Stevenage (Barbara Follett), who also has responsibilities in the Government Equalities Office. I asked the Secretary of State some straightforward questions about what discussions he had had with the Leader of the House on the Under-Secretary's ministerial role, and what support was available to her from the Department. The Under-Secretary herself responded with a holding answer—perhaps reasonably; she may not know what discussions the Secretary of State has been having with the Leader of the House.

The other questions to the Secretary of State for Work and Pensions that the Under-Secretary failed to answer on the due day, however, were very straightforward; they were about which Government Department is responsible for the Government Equalities Office, and what ministerial responsibilities the Under-Secretary has in the GEO. I received a holding answer. I received a holding answer, too, when I asked which Department was responsible for her ministerial salary and for the provision of ministerial support. It is pretty poor if a Minister cannot even tell me of which Department the Government Equalities Office is part, what her ministerial responsibilities are, who pays her salary and which officials support her, as that information must be available. The fact that I did not receive an answer on the due day—and it was not a complicated question that required months of research—shows that some Ministers in some Departments do not take their responsibilities to the House seriously at all.

I want to touch on one or two other issues, but perhaps not in quite as much detail. However, before I leave the topic of written answers, I should like to raise something with the Minister. The two worst performing Departments are the Ministry of Defence and the Department for Work and Pensions. The Ministry of Defence has 229 press officers. The Department for Work and Pensions has 180. Clearly, both Departments put a high priority on dealing with the press. The Leader of the House promised me that she would speak to her colleagues "forcefully", so may I suggest to the Parliamentary Secretary that if some resources were shifted and some press officers fired, more resources could be put into dealing with this House, so that Departments could prioritise their accountability to Parliament, rather than to the media. We might then find that the performance of those two Departments in particular would improve considerably. I put that idea out in a generous spirit, and perhaps the Minister would tell me what she thinks of it.

I want briefly to touch on the importance of making statements to the House before the matters in question are announced to the media. The shadow Leader of the House, my right hon. Friend the Member for Maidenhead (Mrs. May), has already raised some examples with the Leader of the House. The Secretary of State for Transport made a written statement about the expansion of Heathrow, yet the news was announced on the "Today" programme before the statement was given to Members of the House. The Secretary of State for Justice made a statement on constitutional arrangements in Britain, but we heard all about it on the "Today" programme. The Ministry of Justice also published things on its website about its organisational review that might affect the National Offender Management Service before a statement was made to the House.

In another example involving the Department for Work and Pensions, which seems to be a bit of a whipping boy in this debate, my hon. Friend the Member for Epsom and Ewell (Chris Grayling) challenged the Secretary of State during oral questions about his briefing on incapacity benefit assessments and why it had been made to the media on the "Today" programme well before being made to the House. The Secretary of State admitted in a written answer to me that although copies of the report had been placed in the Vote Office, they had not been made available to Members in the Library until the afternoon. Information had thus been given to the media and discussed at length well before Members could obtain the details of the statements. The Leader of the House herself said that it was her job to be the

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"policewoman" who makes absolutely sure that statements are made to the House before they are made to the media.

The final issue that I wish to raise is topical debates and parliamentary questions. With the changes in Departments and the expansion in the number of Departments entitled to a full hour of questions, which I support, questions now operate on a five-week rota. There are slightly fewer opportunities to question each Department, although that has been offset somewhat by the welcome innovation, on which I congratulate the Government, of topical questions for Departments with a question time of more than 30 minutes. It is an advantage and stops us going through contortions to fit topical questions into the questions that happen to be on the Order Paper. I am sure all Members have faced that challenge from time to time. The Leader of the House tried in her own small way to make the rota a little more flexible; I understand that she tried to get rid of questions to the Leader of the House, and I am pleased that my right hon. Friend the Member for Maidenhead batted that proposal away.

I leave the Minister with this thought about topical debates: they should be genuinely topical. There was a general feeling in the House last week that the debate on apprenticeships and skills—important as the matter is—was not the most topical debate that could have been chosen. At this very moment, the Leader of the House is meeting my right hon. Friend the Member for Maidenhead, my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), and the Liberal Democrat spokesman to discuss how the choice of topics for topical debates can be made more transparent to Members. I welcome that and hope that the meeting is fruitful.

The Leader of the House has said that the whole point of the House of Commons is to hold the Executive to account, and she made it clear that parliamentary questions are important in that respect. When I raised the matter with her at business questions on 15 November, she was good enough to thank me for the information that I gave her from my league table—for want of a better description—and to say that she would raise the matter "forcefully" with her ministerial colleagues. Will the Minister tell us to what extent the Leader of the House has had an opportunity to be forceful? Most importantly, when will we see an improvement in Departments' performance in answering questions, particularly the Ministry of Defence and the Department for Work and Pensions, both of which cover policy areas that are important to members of the public? Both Departments need to make a huge improvement to the way in which they deal with the House and with questions from Members of Parliament. I look forward with great interest to the Minister's response.

1.14 pm

The Parliamentary Secretary, Cabinet Office (Gillian Merron): I congratulate the hon. Member for Forest of Dean (Mr. Harper) on securing this debate. The issue is undoubtedly of fundamental importance. In our well-known and long-standing system of parliamentary democracy, it is crucial that the Government are properly accountable to Parliament. Day in and day out, Ministers come to Parliament to account for the Government's actions and decisions, answering letters and parliamentary questions from MPs and peers. In view of the comments made, it is worth giving a bit of context before I come to the hon. Gentleman's particular points.

First, the setting is that the principle of ministerial accountability to Parliament is a convention of some long standing and is clearly set out in the ministerial code, which is a guide to the principles and practices expected of Ministers. In publishing the code in July the Prime Minister confirmed that:

> "The acceptance of Ministerial office brings with it a serious responsibility and duty to the nation."

In setting out this responsibility and duty, the code goes on to state that

> "Ministers have a duty to Parliament to account, and be held to account, for the policies, decisions and actions of their departments and agencies",

and that is what we are discussing.

Through the resolutions that were carried in 1997 both Houses made explicit how they expect Ministers to discharge their responsibilities to Parliament. I reaffirm the seriousness with which the Government take their responsibility to account to Parliament. The terms of the resolutions are reflected in the ministerial code, and the constitutional convention of ministerial accountability to Parliament, through a range of means to which I will refer, is, in my view and experience, alive and kicking.

Both letters and parliamentary questions are worth a mention, and the hon. Gentleman has referred to the latter. To give an idea of scale, in 2006, excluding freedom of information requests, Departments received 226,427 letters from MPs and peers, compared with 203,734 in 1996. The Government have an absolute commitment to providing informed and timely responses to letters from hon. Members, which are one of the means by which Ministers are held to account. In 2006, the last record that I can refer to, 77 per cent. of such correspondence was replied to within the targets set by Departments, compared with 72 per cent. in the previous year. We have therefore seen an improvement. In my experience, Departments are far from complacent. They do recognise the importance of dealing with inquiries and being held to account, and they seek to take steps further to improve their performance.

On the issue of parliamentary questions that the hon. Gentleman raised, the number of written questions has increased enormously, almost doubling since 1997—up from 214 per sitting day to 396 per sitting day for 2006-07. The introduction of the written question procedure in the September recess shows, if one looks at how it is used, that hon. Members are more than willing and more than able to hold Ministers to account even during a parliamentary recess. I welcome its introduction by the Government. It is worth noting that answering an oral question is estimated to cost around £385 and a written question £140.

Mr. Harper: I welcome the innovation of being able to table and have answered written questions in September. In terms of the growth in scale, perhaps I am being unfair but I do not understand the disparity in performance within Government. The Department of Health, which was asked in the last Session 1,615 named day questions, almost double what the Ministry of Defence was asked, managed to answer 63 per cent.

on the named day. The Ministry of Defence achieved just a third of that performance. I do not buy the idea that just because more questions are being asked that should lead to poor performance. Some Departments are clearly very good at answering, and some are not.

Gillian Merron: The difficulty, if I can put it that way, with the hon. Gentleman's argument is that it makes very straightforward comparisons across Departments. It is not a directly comparable matter. Not only do Departments receive different volumes of correspondence and parliamentary questions, which it is important to consider, but they have different targets for replying. That is legitimate, to reflect the nature of the Department.

I would urge caution in making comparisons, because the nature of Departments' business varies greatly, as does the nature of the questions. Of course, Departments will have to do a greater or lesser amount of work in greater or lesser detail, depending on the question. As a Minister responsible for responding through both correspondence and parliamentary questions, I am keen to ensure full and comprehensive replies. The matter is not directly comparable, but it is worth saying now—I was intending to refer to this later—that there have been some notable successes. In terms of its performance in dealing with correspondence, the Home Office is up by 14 per cent. The Foreign and Commonwealth Office is up by 9 per cent. with a particular improvement by UKvisas, and, of course, the Department for Culture, Media and Sport is up by 13 per cent. That should convey the fact that nobody is complacent, and that we intend to push forward in a systematic way.

While Ministers are responsible for their own answers to parliamentary questions, I assure the hon. Gentleman that, as I have said, the Government have an active and deep-rooted commitment to the issue of ministerial accountability to Parliament. There is also a duty on Ministers, set out in the ministerial code, to be as open as possible with Parliament. The guidance to officials on drafting answers to parliamentary questions repeats those obligations. The Public Administration Committee has published a number of reports on ministerial accountability and parliamentary questions, and I am sure that the hon. Gentleman is familiar with those. In response to the last such report, which the Government were glad to receive, we set out a number of initiatives designed to disseminate good practice across Departments. If hon. Members are dissatisfied with the response that they have received to a parliamentary question, they can, as the hon. Gentleman has rightly done, take the matter up with my right hon. and learned Friend the Leader of the House.

The Procedure Committee is currently conducting an inquiry into written parliamentary questions, and we look forward to receiving its recommendations. For the context that I want to give, it is important to note that there been many improvements and changes in accountability to Members of Parliament since 1997. First, that we are even sitting in Westminster Hall is testimony to the fact that the Government have increased opportunities for scrutiny, and therefore the accountability of Ministers to Parliament, through the introduction of Westminster Hall debates. The Speaker also has discretion over urgent questions in emergency debates. In October this year, my right hon. and learned Friend the Leader of the House set out in more detail a number of measures that the Government seek to introduce following the report of the Modernisation Committee, "Revitalising the Chamber: the Role of the Back Bench Member"—evidence, I believe, that we are seeking to be more accountable. I assure the hon. Gentleman that I will draw this debate and the points that have been made to the attention of my right hon. and learned Friend the Leader of the House.

Furthermore, in terms of increased scrutiny, the Government have recently introduced topical questions and topical debates to increase opportunities for accountability. Going still further in respect of openness, transparency and accountability, we are now going to be the first Government to publish an annual list of gifts given and received by Ministers and an annual list of visits overseas by Cabinet Ministers. From next year, details will be published of all Ministers' travel overseas. This Government was the first to publish an annual list of special advisers' numbers, names and costs, as well as a code of conduct and model contract for special advisers. It is important to remember that our previous Prime Minister was the first to initiate appearances before the Liaison Committee, and to hold a monthly press conference. I suggest that all those points reflect greater accountability, openness and transparency, and we have made a significant difference to the amount of information available about the activities of Departments and Ministers through the Freedom of Information Act 2000.

That commitment to openness and transparency is certainly reflected in the changes seen to the ministerial code in July this year. The code has been strengthened so it now clearly sets out the principles that all Ministers must follow. In publishing the ministerial code, my right hon. Friend the Prime Minister also announced the appointment of an independent adviser on Ministers' interests and an annual statement covering those interests that will be published.

I would also refer the hon. Gentleman to the "Governance of Britain" Green Paper, published in July, setting out our plans in a number of areas for a new relationship between the Government and the citizen. We need to look not only at the steps that have already been taken but at the commitments to go still further. As for the hon. Gentleman's allegation that Government statements are made to the media before they come to Parliament, the ministerial code is absolutely clear. When Parliament is in Session, the most important announcements should be made in the first instance to Parliament. I would assure the hon. Gentleman that Ministers take this most seriously. I will of course make sure that the points raised in this debate will be drawn to the attention of the relevant Ministers.

The hon. Gentleman suggested a bit of reorganisation of press officers. In terms of answering parliamentary questions, there are many officials across Departments who are going about their everyday work serving the public. In the course of that work, they are answering parliamentary questions. So while I note his suggestion—and I am sure that he would not wish that we stopped communicating on matters of importance to the public, such as the take-up of benefits or campaigns on drink and drug abuse, or the latest news on foot and mouth—I do not agree that simply moving people around would improve the situation.

On procedures for data transfer at the Department for Work and Pensions, it is worth remembering that my

[Gillian Merron]

right hon. Friend the Prime Minister and the Cabinet Secretary have both set out in recent weeks a number of reviews that will be conducted into the security of data storage and transfer within Departments. It is indeed the case that this matter has been open to considerable scrutiny and will continue to be so.

In conclusion, the Government are absolutely clear and open about how Ministers should be held to account by Parliament and the public. It is something that we all take seriously and work to our best endeavours to achieve with our Departments. I can assure the hon. Gentleman that Ministers in this Government are completely committed to both the principle and the practice and are always trying to improve still further.

Women's and Girls' Football

1.30 pm

Mr. Richard Caborn (Sheffield, Central) (Lab): I begin by thanking all those who continue to make women's and girls' football the fastest growing sport in the United Kingdom. They are the unsung heroes—the volunteer coaches, referees and administrators—without whose dedication the beautiful game would not be successful. This was brought out effectively by the report last year by the Select Committee on Culture, Media and Sport, which shone a welcome spotlight on the world of women's football.

The 14 recommendations at the end of the report solicited responses from both the Government and the English Football Association which, if fully implemented, would maintain the growth and the health of women's football in this country. It is worth reminding ourselves what has happened in women's football in just over a decade. It was only in 1993 that the Football Association had the vision to bring women's football into the football family. Before that, it was out in the cold. There were only 80 girls' teams in England in 1993, but a decade later, in 2004-05, that had grown to about 8,000 teams. It shows that, with a little bit of organisation, the appetite was there. Those teams played in the affiliated competitions organised by the governing body. Just under 2 million young women and girls play recreational or informal football.

We must understand that football, as our national game, brings young people, including some from inner-city areas, into sport. Through the window of football, they can go on to play other sports. It is very important that those young people, who are sometimes at the bottom of the economic ladder, should be able to find their way back into society through the world of sport. There is no better sport than football to achieve that. It is a huge sport across the nation, with 45,000 football clubs. The impact of football, including women's and girls' football, on our social infrastructure is not to be underestimated, and the impact on elite sports, too, in the past decade is remarkable.

I am sorry to say that the professional side of the beautiful game, with one or two exceptions, has not lived up to the expectations raised by the Select Committee in the 10th recommendation of its report. That is disappointing. No doubt my hon. Friend the Member for Warrington, South (Helen Southworth) will raise those issues later, if she catches your eye, Mr Bayley. Even now, I hope that the Football League and the premier league, along with the English Football Association, which has done a good job with women's football—I think that women footballers recognise that—will revisit the policy on women's football.

Money is not a problem in the national game. The TV and sponsorship deals by the Football League and the premier league in the recent past are some of the biggest in their history. It is interesting that Tesco is forming, or trying to form, a women's premier league with the FA, and I wish them success. I hope that that lead is followed by both the Football League and the premier league, as it is important. I recommend that the professional game look at what Tesco is doing. I spoke to my hon. Friend the Minister—he is a big friend of mine: he, too, has a Yorkshire seat and came into

politics through the same route as me—who shares my feelings about the matter. I hope that when he meets the Football League and the premier league he raises with them the question of corporate and social responsibility. It is in their enlightened self-interest as football clubs to pay more attention to the growing fan base for women's football. Indeed, they should do so, even for what one might call rather mercenary reasons.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): My niece was first inspired to play football after watching Sheffield Wednesday play at Hillsborough. However, she cannot regularly indulge in that practice because of the cost of the tickets. Does my right hon. Friend think that the cost of going to watch professional football teams is a barrier to engaging young women and girls in football?

Mr. Caborn: That is partly true. I think that my hon. Friend's niece ought to be paid by Sheffield Wednesday to watch the team, although that is another issue. I will receive another tirade of abuse from the Wednesdayites in Sheffield for saying so. Many professional clubs are now seeking a junior audience, and they offer family tickets. Many of them are genuinely trying to make sure that they attract a younger fan base than they have in the recent past.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Does my right hon. friend agree that the issue is not only about attending football matches, but about the coverage that women's sport receives in the media? Compared with other parts of Europe, only about 5 per cent. of television or written media in this country covers women's sport. Without those role models, it is almost impossible for people to follow through. Will the Minister look at ways to bring the promotion of women's sport into the media?

Mr. Caborn: I shall come on to that later in my contribution. In spite of the professional game not doing as much as it ought to have done for women's football, the team has performed brilliantly on the world stage. It qualified for this year's World cup in China, and went on to reach the quarter finals of the competition. Even my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), who is a great rugby league fan—*[Interruption.]* Good grief, what heresy—I should have said that he is a great rugby union fan. However, he will be interested to know that when the US played England in the women's World cup, the audience of 1.8 million was greater than that commanded by the England rugby union football team when it played later the same day. That just shows the audience that women's football can command when it is shown on terrestrial television such as the BBC. The coverage that it receives in the media, to which my hon. Friend the Member for Loughborough (Mr. Reed) has just referred, ought result in more column inches, particularly as we have a national side of whom we can all be proud.

By qualifying for the World cup in China, that women's side also qualified Great Britain for the 2008 Olympics in Beijing. Let us remind ourselves of the recommendations that the Select Committee presented to the House. In its 13th recommendation, it said that we ought to look very seriously within the football world at our ability to present teams at the Olympics. The Committee was talking about 2012, as I do not think anybody believed that the women's team would qualify for 2008. However, it did so, and thus the same principle applies. The English FA, along with the Government, supported the Select Committee's recommendation that we should stage GB teams for both males and females in 2012, and indeed in 2008. As I said, we have qualified for the 2008 Olympics.

When I arrived in China a few weeks ago to attend the women's World cup as the Prime Minister's ambassador for the 2018 World cup, I attended the semi-final in the Dragon stadium at Hangzhou. I met Hope Powell, head coach of the England women's national football team, who was capped 66 times for representing her nation, including as vice-captain. She was very disappointed; indeed, she was annoyed. Hope went on to tell me that even though the team had qualified, it would not be allowed to represent its country, because the four football associations of England, Northern Ireland, Wales and Scotland could not agree, so the girls, as one can well imagine, felt very let down. They had taken their nation to the football World cup, and in the process had qualified for the 2008 Olympics, but they had been let down by the Football Association.

Representations were made, as all the football powers were there, including FIFA, because it was the FIFA World cup for women. At half-time in the women's final, Simon Johnson of the Football Association and I met FIFA's general secretary, Jerome Valcke, who agreed that if the four football associations agreed to badge us as a GB team—whether its members were from England, or were a mix of players from England, Scotland, Wales and Northern Ireland—FIFA would allow that, because the decision was entirely up to our nation. I spoke to Simon Clegg of the British Olympic Association only yesterday about the issue, and he, too, is annoyed that, although we have qualified to send a team to Beijing, we have been denied the opportunity to do so.

There was agreement all round to ask the football associations, on their return from China, to come to an agreement to allow those athletes to compete. After we had seen FIFA's general secretary, Simon Johnson, Hope Powell and I had a chat in the hotel with Alan McRae, the second vice-president of the Scottish FA, and Howard Wells, the general secretary of the FA in Northern Ireland. On that evening, I felt fairly confident that we would reach an agreement, but it was not to be. A conference call took place between the officers of the four football associations, including Scotland, Wales and Northern Ireland, but they said no, without even giving a reason for their stance, or any encouragement that the issue should even be debated.

That decision has denied their athletes and players the right to perform on one of sport's most coveted stages—the Olympic games. Hope said to me that, on that 2008 stage in Beijing, with a fair wind and with a little bit of luck, we could have been in the medal count. That would have a tremendous impact on sport in this country. Even playing in the Olympics would have had a tremendous effect; if the team reached the final, there would be a profound effect, not just on women's football, but on women's sport in this country, which would provide the biggest boost to women's football that it has ever had.

[Mr. Caborn]

Those blazers, however, have made a decision for our nation, our women's footballers and our beautiful game. Thanks to their decision, we now have the debacle of Sweden playing Denmark for our place in Beijing in 2008. We are the laughing stock of women's sport throughout the world. Our women qualified for the World cup and for Beijing, but then some blazers sat down together and, without giving a reason or engaging in any debate, have denied those athletes, whom they purport to represent, the greatest stage that they could ever have: the 2008 Olympic games. It is a national scandal that our athletes should be denied the right to perform on the international stage. Those athletes have been denied the chance of a lifetime by the blazer brigade, who are protecting their own self-interest.

Other sports and teams will perform on that stage in 2008. The partially-sighted team will play football in Beijing, as will the disability football team, but not the women's football associations' team. That ought to be questioned. All sports-loving organisations should ask those football associations why they made that decision. Every women's organisation ought to write demanding why they denied the greatest lift to women's sport that we could have had in this country. That question should even be asked by the media—back-page writers and sports writers ought to ask why we have denied those people the opportunity to perform on the greatest stage in sport at the Olympic games. We have to ask those questions, just as the Select Committee did. My hon. Friend the Minister has been at the forefront of the campaign to get the football associations to change their minds, but without success. Unfortunately, I accept that it is too late for our team in 2008, but I believe it necessary for us to raise this issue. It is right for the Select Committee, my hon. Friend the Minister and others to do so, because it is one of the biggest disgraces for women's sport that we have seen for many years.

1.43 pm

Helen Southworth (Warrington, South) (Lab): May I put on record my thanks to my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) for being such an able champion, not just of women's football, but of our national team, by whose achievements we were all so impressed? Those achievements were the result of tremendous efforts on the part of the team and of a small and honourable number of supporters. We members of the Select Committee that prepared the report brought before the House were pleased to see that the Football Foundation has joined that group of active supporters by changing the way that it makes grants for community support across the country, ensuring that there are pathways for girls into sport.

Some very laudable changes have been made, but we have to see many more. All too many girls—who are incredibly enthusiastic about football and really love the sport and want to achieve personally—constantly find completely unnecessary barriers in their way. Girls cannot get access to teams, because there are so few teams playing in organised sport that they cannot get a proper set of games together; they find that they are not allowed to play until Sunday night, when the fields have all been mashed up; and, at school, there might be boys' teams, but there are not girls' teams.

People do not seem to realise that more than 1 million girls play organised football in the UK. It is the fastest-growing sport for girls and the best way out of obesity, but it also lets girls achieve, just as boys can, and do things that they really enjoy and are good at. They can participate and learn the other life skills that people who play football learn.

Like my right hon. Friend, I think that it is absolutely appalling that we are letting down our national team. We must take action to ensure that we give a consistent message of support to our players. We are their supporters, and we must ensure that they do not have barriers put in their way and that they can achieve for themselves and for us.

1.45 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is good, Mr. Bayley, to welcome you to the Chair again—we met here earlier this morning. I congratulate my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) not only on securing the debate but on all that he did for sport in his time as Sports Minister. I know that even before then, sport was a great interest of his. As he rightly said, we have been involved in similar things for many years, and sport is a passion for both of us. I thank him for all the support that he has given me in my role as Minister with responsibility for sport.

I am delighted that my right hon. Friend has brought a strong team with him today: my hon. Friends the Members for Sheffield, Hillsborough (Ms Smith), for Loughborough (Mr. Reed), for Feltham and Heston (Alan Keen) and for Warrington, South (Helen Southworth), who sits on the taskforce on women's football. I am delighted that my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) is sitting behind me offering support and assistance. I know that he is a passionate supporter of sport in all forms.

I offer my strongest support for the points that my right hon. Friend has made and the way in which he has made them. What has happened to the England women's football team is a scandal. As the Minister with responsibility for sport, I have been struck by the passion and commitment that sport can inspire, and never more so than in the case of women's football. Since my appointment to the post, the work of the women's game has been one of the greatest matters of pride, but also the greatest concern to me, because of where it fits in the beautiful game, as my right hon. Friend has said. There is a dichotomy in the success of the national team and the frustration of their being taken out of the 2008 Olympics, at which they would have had the opportunity to play on the world's greatest stage.

We are at a crucial stage for the future of women's football. As my right hon. Friend has said, women's football is the number one female participation sport in England, with more players competing in affiliated competitions than in any other team sport. In the past seven years, there has been a 227 per cent. increase in the number of female football teams and a 165 per cent. increase in the number of players. However, there are real and clear challenges ahead. How do we capitalise on the fastest-growing participation sport in the country? How do we harness the talent and commitment of

women players and provide the support and infrastructure to allow our players to compete at the highest international levels?

Mr. Andy Reed: Before my hon. Friend moves on from that point, I want to mention that, as he knows, Loughborough plays a key role in preparing the women's team. Does he believe that the blazers, as we call them—quite rightly—understand even one iota the amount of dedication that the young women involved put in to train to be top-level athletes? Does he agree that it seems ridiculous that all the effort that he has talked about has been thrown away by a ridiculous decision?

Mr. Sutcliffe: I agree and, as my hon. Friend knows, I was happy to visit Loughborough and see the wonderful facilities that are available for all sports. I share his compassion for the women who have been denied that opportunity, which will never arise again for some of them—hopefully, it will arise again for some of them in 2012, but it will not arise for others. The players have shown commitment and enthusiasm in difficult circumstances. Many of the women players have child care responsibilities and had to deal with extra commitment at work just to get to the World cup.

We have a massive opportunity in front of us, and I fully intend to ensure that we do not miss it. Although we criticise the blazers, we have a strong and positive base. Nobody can deny the huge strides that have been made in the past 10 years, as my right hon. Friend the Member for Sheffield, Central has said, and I applaud the FA for its ongoing commitment to the game, but we want a lot more, a lot faster. We saw England reach the quarter finals of the World cup, holding the eventual winners, Germany, on their way, and being the only team to do so and to prevent the Germans from scoring. Like my right hon. Friend, I was interested to see that more people watched that game—1.8 million people in total—than the England versus Samoa rugby world cup match, which was happening at the same time. England are now ranked 10th in the world and have won all three of their opening qualifying games for Euro 2009. Arsenal—unfortunately, or fortunately—have continued their dominance of the women's domestic game, winning the FA cup in front of a record crowd of more than 24,000 at Nottingham Forest, with a further 2.1 million people watching at home. Perhaps more significantly, it also became the first British club to win the UEFA cup.

We are seeing great strides in the elite aspect of our game, and I am delighted that that success is being transposed to the grass-roots level. I have already mentioned that we have seen a huge rise in the number of women involved in football: the "Active People" survey in 2006 highlighted that 250,000 women and 1.1 million girls play some form of football. We have also seen a rise in the profile of the sport, with a recent FA survey indicating that 5 per cent. of the adult population in England claim to follow the women's game.

Campaigns such as the FA's "Girls United" initiative have sought to build on that base, using England's participation in the World cup to increase participation and improve the perception of the game among the nine to 11 age group. The site received more than 25,000 hits during the World cup. My right hon. Friend has mentioned a new and welcome partnership between the FA, Tesco and the national sports foundation, launched in October. It will deliver more than £1 million of investment directly to the game at county level and support the invaluable army of volunteers who continue to allow the game to thrive at that level.

The FA Tesco skills programme has been rolled out across 12 counties, attracting 50,000 participants in the first two months, 23 per cent. of whom were girls. We have also seen the first Tesco skills centre for girls, which feeds the FA's Colchester centre of excellence. The FA has begun to focus its attention on youth development, with a restructuring of the 52 girl's centres of excellence and an increase of funding and support to deliver twice-weekly quality coaching and localised fixture programmes in every region for the first time.

Women's and girl's football development officers are in place in every county, and we have more than 13,000 coaches, all aiming to emulate the incredible achievements of Hope Powell, England's head coach for 10 years and the only woman in the UK with a UEFA pro licence. My right hon. Friend and I know her personally, and her dedication is unsurpassed. She was delighted by the success of the team.

Mr. Caborn: Hope could not be here today, because she is in South Africa coaching youngsters in Cape Town. I have consulted her on a wide variety of issues, and the fact that she is in demand internationally as well as nationally shows her quality.

Mr. Sutcliffe: I congratulate and applaud Hope on her work as a coach.

All the initiatives are to be welcomed and applauded, but are they enough? I, like my right hon. and hon. Friends, am clear that they are not. The achievements, particularly of our teams performing at the highest level, have come against the odds and against expectation, so we must ensure that we move forward with the game. The two incidents that sum up my frustration are those that my right hon. Friend has mentioned.

First, our women's team will not be able to compete at the Olympics in 2008. My right hon. Friend said that they won their place on merit and that the situation was not fixed in any way. It is sad that the home nations could not even offer an explanation why they would not allow them to compete on behalf of Great Britain. An explanation is important to us, because we want to ensure that we understand the reasons. As my right hon. Friend has said, we understand that FIFA made assurances about the independence of the home nations in the wider football world, so the decision is appalling.

I shall pursue the questions that my right hon. Friend has asked. He is right to say that everybody should do so, because we do not want the same thing to happen in 2012. We want to ensure that when London hosts those games, men's and women's football teams represent Great Britain. My right hon. Friend is right. Despite the best efforts of us all, including him and the Government, we tried to resolve the issue, but we were frustrated by off-pitch issues.

We were happy to give the team a drinks reception at the Department for Culture, Media and Sport in order to honour its achievements. We talked to the players about their payments during the World cup, and my second frustration is with the reported £40 a day they

[Mr. Sutcliffe]

received, which does not constitute a sufficient or proportionate return. The players are realistic about the current status and financial position of the game and have not called for payments equal to those of their male colleagues—perhaps it is to be hoped that one day they will. Instead, their arguments focused on the impact that that level of remuneration has on the game more widely. The majority of players took unpaid leave to take part in the World cup, which meant that they lost wages and have to recoup their working hours, which in turn severely limits the hours that they can train for club or country.

I have said that Arsenal have been successful in the European cup, but they were recently knocked out. The coach puts that down to the fact that the players had to recoup their earnings owing to the time that they spent away for the World cup. Effects can be seen on the pitch, too, and both Hope and Arsenal have reported a noticeable impact on the fitness of, and injuries to, players. That is not acceptable, but it encapsulates the problems facing the game.

Current success, therefore, comes in spite of the structure, rather than as a result of it, which for me is where the real challenge lies. As my hon. Friend the Member for Loughborough has said, no one can question the dedication and commitment of our players, or of the millions of women and girls who participate every year. However, what more could have been achieved with greater resources and support? How can we build upon our success and progress in order to take the game to the next level and to ensure excellence at all levels? We need a sustained approach to the domestic league game, which will hopefully become fully professional, so that role models can be provided to girls and women who want to play.

The women's game is an example of what the DCMS is trying to achieve in sport. We want to ensure that we touch those who do not see sport as a route out from the situations exemplified by my hon. Friends. The women's game has shown that it can provide such a route. I was pleased to speak with Brian Barwick last week, who shares our view that a commitment to women's football is needed. I was delighted to hear that the FA intends to back those welcome sentiments with positive and timely action.

The women's game is gaining increased corporate recognition within the FA and has an extra representative on the FA council. Its revised national game strategy has set stretching targets for the women's game aiming for a 15 per cent. increase in women's teams, a 50 per cent. increase in girl's teams and 100 new female disability teams by 2012. However, we need to go further and quicker. The FA's review of the women's premier league will consider how it can become more competitive and how that, in turn, can contribute to the England team's future success.

The review will also consider how we can create a more sustainable professional model, seeking greater investment from established men's clubs as well as wider funding options to allow the women's game to stand apart from the men's game. The recently-established, highly-successful partnership between Leeds United Ladies and Leeds metropolitan university is a key model that I hope to visit early in the new year. The important point is that we do not want the women's game to be just a mirror of the premier league or Football League, but to evolve independently and to be sustainable, so that we avoid incidents such as the Charlton incident—when Charlton were relegated, the women's team were the first casualty.

Another key element of the FA's work is the ongoing assessment of mixed football. The FA is conducting a season-long trial allowing over-11s to play in mixed teams. We shall await the outcomes of this trial before considering further rule changes.

Finally, the FA is committed to reviewing the resources provided for the England senior women's team as part of the FA's strategy review, which is due to be published early in 2008. I also welcome the work of the Professional Footballer's Association, which has given membership to female footballers in order to support them in the national team and to encourage the women's game more generally.

This has been a timely debate and I am grateful to my right hon. Friend the Member for Sheffield, Central for raising it. A lot more work needs to be done. My hon. Friend the Member for Warrington, South is on the taskforce and I know that she will keep the pressure on to ensure that we deliver what we want to achieve. I thank hon. Members who participated in today's debate. We look forward to successful women's football at all levels.

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 5 December 2007

[HYWEL WILLIAMS *in the Chair*]

Christianophobia

Motion made, and Question proposed, That the sitting be now adjourned—*[Mr. Watts.]*

9.30 am

Mark Pritchard (The Wrekin) (Con): I am grateful for the opportunity to bring this important and timely debate before the House. First, let me say that this debate is not about "doing God", calling for a theocracy, Bible-bashing, proselytising or criticising other faiths, or advocating on behalf of a non-existent UK religious right. Indeed, I hope that this debate will move outside the strictures of party politics. It is also not a debate on religion. It is not about championing a particular brand or denomination within the Christian tradition, as over the next few minutes I will set out that Christianophobia is impacting on all denominations, and even offending people of no faith.

This debate is about the relentless assault, mostly by stealth, on this nation's much-loved Christian heritage and traditions. It is about how anti-Christian sentiment is increasing, not decreasing; why many Christians feel they are not getting a fair hearing when it comes to Christianity in the public square; and what many people of all faiths and no faith see as the increasing marginalisation of Britain's Christian history, heritage and traditions through the actions of Whitehall Departments, Government agencies, local authorities, the charity commissioners, or other sectors of society. I will also comment on the creative industries and some sections of the media.

Since I secured the debate, I have received hundreds of e-mails underscoring the concern of Christians, who, although they should be equally protected under existing anti-discrimination legislation, are left feeling increasingly overlooked and ignored. Sidelining the views of so many people—seven out of 10 people in the 2001 national census identified themselves as Christian—if the matter is left unresolved, could lead to unhelpful and avoidable social fragmentation, rather than unity. It is important for the Government and public agencies to recognise, acknowledge, and be reminded of the roots of Christianity in this nation—roots which, as many of us know, were first evident in the 1st century. Whether pre or post-Reformation, the place and role of the Christian faith has for the best part, but by no means always, been of real benefit to this nation and communities around this nation. That is seen in the imported music of Handel and the three counties music of Elgar, the literature of Bede and Cuthbert, the modern science of Polkinghorne, the fine works of religious art that fill our public galleries up and down the land, and the architecture of the cathedrals of Hereford, Canterbury and—if the Minister will forgive me—Gloucester.

Britain's Christian traditions are both rich and deep, and are enjoyed today by people from all faiths and none. Furthermore, this Christian tradition has held Britain's communities together for many hundreds of years and through the very many challenges of British history. The most recent English church census reveals that at least 3.2 million people still attend church every Sunday. The Christian Church is not dead: it is very much alive. Perhaps that is an important oversight that some have mistakenly made.

In education, there should be no discrimination against Christians who want to provide home schooling. There should be no discrimination against faith groups that wish to set up new schools and/or expand their existing schools network. People of all faiths and none queue to send their children to such schools—schools with a Christian ethos. Do not take my word for it: look at the evidence. More widely, state schools have a legal and educational duty to ensure that pupils are taught about Britain's Christian traditions, at least for educational, if not for spiritual, purposes.

A recent survey in *The Sunday Telegraph* revealed that fewer and fewer schools are staging traditional Christmas nativity plays, supposedly through fear of offending people of other faiths and those with no faith. But what about the offence to Christians? And whatever happened to allowing children to explore? I would like to put on record, Mr Williams, that I have never met a single Muslim, Jew, Sikh or Buddhist, or person of any other faith, who has told me that they object to Christians celebrating Christmas. That they do object is a false, secular-driven proposition, and a divisive one. Indeed, the Muslim Council of Britain said:

> "We see no reason for any Muslim to be upset or offended for the celebration of Christmas or any other festival of any faith".

Yesterday I received an e-mail from a Jewish gentleman in Beirut, who told me of nativity plays performed in schools there. If it is good enough for Lebanon, it is good enough for London.

It is also wrong when Christianophobia occurs on university campuses, when Christian groups try to access local government grants and funding or seek to rent public buildings, and in decisions relating to adoption and fostering services. Local, regional or national fundholders and decision makers who are Christianophobic need to stop breaking the spirit of anti-discrimination laws and look beyond Christian labels to see the wider benefits that hundreds of faith groups bring to local communities up and down the nation. In the majority of Britain's villages, towns and cities, religious faith remains a force for good.

I hope that the Minister will consider amending existing legislation to ensure that anti-Semitic and Christianophobic crimes are recorded and prosecuted by the police and the Crown Prosecution Service. He knows that I have tabled many questions relating to anti-Semitic crime, and the Government have said that they are currently researching the whole issue. My hon. Friend the Member for Enfield, Southgate has also tabled questions relating to hate crimes against Christians and against the Jewish faith.

Mr. John Redwood (Wokingham) (Con): My hon. Friend is bringing an important issue before Westminster Hall. When local authorities intervene to change the names of ceremonies or to suggest that parts of the Christian ceremonial tradition be removed, does he think that that is animated by dislike of Christianity, or is it just a mistaken notion of what is required to comply with the existing regulations?

Mark Pritchard: My right hon. Friend, as always, makes an excellent point, on which I will touch later. Sometimes the problem arises from a misrepresentation of the Christian faith, or a misunderstanding of what other faith communities perceive Christmas to be. As far as I can see, there is no offence in the minds of people of other faiths and of no faith, unless they are perhaps zealots, humanists and secularists in relation to this country celebrating and commemorating Christian traditions such as Christmas and Easter. What is offensive to people of other faiths is when secularists, society's liberals and the politically correct brigade use the names of other faith groups as a bogus cover from which to launch attacks on Britain's Christian traditions and festivals. Not only are those assaults divisive, but they undermine this country's hard fought for freedoms—important freedoms, such as freedom of speech and freedom of religion. The Government should not allow themselves or their agencies to be intimidated in such a way.

Let me give the Minister more examples from both the private sector and the public sector. In the retail sector, many shoppers find it increasingly difficult to purchase greetings cards that refer to Jesus. My constituent, Mrs. Patricia Smyth of Wellington, Shropshire, has e-mailed me in the last few days to say that, while shopping for her grandchildren, she found that

> "there are plenty of Santas and snowmen but nothing to do with the real meaning of Christmas."

I like Santas and snowmen as well, but I think that we also have to have more about what Christmas is about. Advent calendars are also extremely hard to find. I hope that the British Retail Consortium ensures that its members do not inadvertently fall into the trap of political correctness, but meet the needs and wants of its diverse—including Christian—customer base. Christ has been and always will be at the very heart of Christmas. Without wishing to be irreverent, taking religion out of Christmas is like serving the Christmas turkey without the stuffing.

Other examples include some charity organisations banning Christmas messages or nativity scenes from their shop windows and displays; some—not all—Government Departments banning the word "Christmas" from all official celebrations; and the Home Office spending tens of thousands of pounds a year on celebrating Muslim and Hindu festivals, but very little on celebrating Christmas. The Department for Transport has admitted sending staff to minority religious events, but did not "officially" participate in Christmas celebrations. At the Foreign Office—I am a fan of the Foreign Office—Muslim and Chinese religious events are marked with VIP receptions. I have no objection to that, or to the Home Office celebrating Muslim and Hindu festivals, but why is Easter completely ignored? Such discrepancies in using public money potentially divide, alienate and frustrate, rather than unite.

There are other inconsistencies. Today, many people from the Christian tradition feel that any religious allegiance is permissible as long as it is not the Christian tradition, and that everything is tolerated except a Christian world view. It cannot be right that all views are valid in the public arena as long as they are not traditional or orthodox Christian views. That is both intellectually inconsistent and socially unviable. I hope that the House agrees that no individual, group or organisation should be discriminated against on the grounds of their race, gender or sexuality, and that, equally, Christians should not be discriminated against on the grounds of their beliefs, however counter-cultural or unfashionable those beliefs might be. The lack of Government or public consensus on such issues should not be an excuse or the ground for anti-Christian discrimination. Turning to secularists, it is wrong of the anti-Christian lobby, whether atheistic, humanist or secularist, not to afford the level of tolerance to the Christian faith that they rightly demand for their own world view and beliefs or lack of belief.

If the Government and their institutions continue to marginalise the Church, to try to remove it from public life and the public square, and to fail to acknowledge the Christian traditions that have weaved the very fabric of our nation and its heritage, a faith that espouses love and hope may be hijacked by extremist parties that espouse nothing more than hate and despair. According to an e-mail that I received, this week the British National party in Staffordshire despatched a Christmas card—I have not seen it—which portrays the Holy Family on the front cover and inside are the words "Heritage, Tradition and Culture". Are the Government prepared to stand by and surrender the nation's Christian heritage and traditions to parties of hate and division? In a cross-party consensus, we cannot allow that to happen.

I call upon the Government to ensure that, henceforth, laws against discrimination on grounds of religious belief will be applied equally to people of all faiths and none, and that those people who profess a Christian faith will not be the exception to the law and will not be marginalised and intentionally hurt. It is time for the dragon of political correctness to be slain, and I invite the Government to take the first body blow in the name of freedom of speech and freedom of religion. I can, however, provide an alternative for the Minister. If the Christian Church is now seen by the Government as a minority, then the Government should declare it so, and then afford Christians full minority rights.

The creative industries also need to be consistent on how they treat religion—in print, online and in the broadcast media. So do the television companies and regulators. Regulators need to ensure that they apply equally the rules and criteria on faith issues in programming. I ask the creative industries to listen carefully to my next comment: the fear of violence from a particular faith group should not be the ground for hand selecting or targeting other faith groups who may choose to protest peacefully.

I hope that the Government will confirm that Government Departments and agencies will recognise and celebrate Christmas. The Government must avoid pandering to a secular minority. I also hope the Minister will put it on the record that Christianity remains a central part of this nation's heritage. To say the opposite is to polarise communities rather than bring them together. I hope the Minister will also make it clear that public bodies and institutions should not discriminate against Christian groups and organisations.

I have a question for the Minister: would our nation be safer, happier, wealthier and more at peace with itself if our Christian traditions and heritage were recognised and celebrated in a more even-handed way, rather than marginalised and scorned? As I said at the outset, this debate is not about "doing God." Politicians, especially

one as flawed as I am, need to tread carefully in this area. This debate is not about asking for special rights for the Christian tradition, but for equal rights. I hope the Government will today send out a clear and unequivocal message from Parliament to Departments, agencies, local authorities, and institutions that the Government condemn all religious intolerance, including rising Christianophobia.

9.48 am

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for The Wrekin (Mark Pritchard) on securing this debate which, as he rightly points out, is incredibly timely in this advent period. As he articulated very well, Christmas is a Christian festival, but as we each embark on our Christmas shopping and hectic preparations for family gatherings, it is all too easy to forget the real meaning of Christmas.

As I know from my own constituency post bag, there is a genuine feeling among some Christians that they are being overlooked and are even sometimes victims of discrimination on the basis of their faith. Clearly it is ridiculous when Government agencies, local government, and other organisations feel so oversensitive about Christmas that they respond by banning it or refusing to use the associated words. It is just as right that festivals other than Christmas are celebrated, as they are in many of our multi-faith schools. The children from the different religions, at particular times of the year—whether it is Eid or Ramadan or Chanukah or Christmas—will share with their classmates what their religions celebrate. In fact, that facilitates a better understanding for all the young people. I hope that, as the quality of religious education improves, that will lead in future generations to much greater tolerance, understanding and harmony between the different religions in the country. Any institution that takes an oversensitive approach to Christmas is not acting in a right-minded way. Like the hon. Gentleman, I have never met a member of another faith—or, indeed, any fairly right-thinking person who does not have faith—who has any objection whatever to celebrations of Christian religious festivals.

Like many hon. Members, I have just sent my Christmas cards to the local printers and will soon start the mammoth task of signing them all. This year the front of my card has a nativity scene that was drawn in felt pen and then scanned and printed. Last year I had a penguin juggling snowballs, and the year before I had a reindeer. The designs on the front of my card are designed and chosen by schoolchildren in my constituency. Obviously, people associate a variety of things with Christmas, but it is fitting that every so often the winning design harks back to the traditional meaning of Christmas.

Mark Pritchard: Is the hon. Lady aware that the Post Office has two religious stamps at the moment? One is of a very nice angel—whether it is an archangel, I am unsure—and one is of the Madonna and Child. However, apparently—I had an e-mail on this yesterday and I have checked it out in the parliamentary post office, but if I am wrong I will put up both hands and say so—the Madonna and Child stamp is available only on request. I am not suggesting that the Post Office is Christianophobic, but one has to question why the Madonna and Child stamp is available only on request while many other stamps are available to people just by walking into the post office.

Jo Swinson: I thank the hon. Gentleman for his intervention. I confess that, having not even signed my cards yet, I am not at the stage of going to buy the stamps, but the situation that he describes does seem strange. Sometimes Christmas stamps come in a set of four and there are ones that come in greater amounts for sending to countries all around the world. I do not know whether that is the reason for the situation, but perhaps other hon. Members will know the background to it, or perhaps the Post Office will think again and make such stamps available, at least here in the House of Commons if not more widely. I am sure that the hon. Gentleman will be able to advertise the fact that the stamp is available, so that it will be more requested. Different people associate different things with Christmas and it is right that, as well as the Santas and the snowmen, the traditional meaning of Christmas is represented.

For the past decade or so, we have been living in a time of increasing religious tension. That relates not just to Christianity or the United Kingdom; it is the case across the world. There was the great controversy in 2005 over the cartoons of the Prophet Mohammed. I am sure that we have all been following avidly the news story about Gillian Gibbons and the price that she had to pay for allowing her schoolchildren to name a teddy bear Mohammed. That raises concerns and tensions across the country. It is very important at this time that we act with responsibility and respect for all faiths. That has to be the way forward. It is also important that we preserve freedom of speech. Indeed, shortly after the cartoons of Mohammed were published, I took part in a debate at the Oxford union on how much freedom of speech should be moderated by respect for religion.

Mark Pritchard: The hon. Lady is being very generous in taking interventions. She is touching on various issues that are in my secondary notes, as it were. I hope that she agrees that public money should not be used to blaspheme the Prophet Mohammed. If she does agree, does she share my concern that public money—taxpayers' money—from Shropshire, from her constituency and from all over the country was given to the Arts Council, which gave £5,000 to prop up falling ticket sales in Newcastle when "Jerry Springer—The Opera" was shown? That was public money being used to blaspheme—

Hywel Williams (in the Chair): Order. Interventions should be brief.

Jo Swinson: Thank you, Mr. Williams. I understand the point that the hon. Gentleman was making, but it is important that we preserve freedom of speech. It is not for politicians to decide on artistic merit or overly to censor. At the end of the day, the arts push boundaries and sometimes do things that make us think. Such things might be insulting or offensive, and that is not good in itself, but forever working within the bounds of not offending anybody can stifle artists' or writers' creativity. We therefore need to be careful on this issue.

[Jo Swinson]

We live in a free country, and those who do not like certain productions are not compelled to see them, and nor should they be.

Sammy Wilson (East Antrim) (DUP): I understand the point that is being made, but the Arts Council money that went to the Jerry Springer show was not so much about censoring or preventing censorship as about promoting something that many people found offensive. That is the difference. It is one thing to say that we do not want to censor, but another to say that we want to use public money to promote certain things.

Jo Swinson: Obviously, it is up to the bodies that make such decisions to come to their conclusions. They will look at different bids, but not having been party to the bid that the hon. Gentleman mentioned, I cannot go into too much detail about it. However, even when public money is being spent, the fact that something might offend a particular group is no reason to say that it cannot proceed. There are always sensitivities, and they are not necessarily always predictable. As we have heard in the news over the past few weeks, Gillian Gibbons named a teddy bear Mohammed, and many people, particularly in Sudan, saw that as offensive—indeed, it was so deeply offensive to some that they felt the need to take to the streets to demand the execution of this teacher from Britain, who had gone out there to do a job and contribute to the country. Clearly, however, she fell foul of sensitivities there, which demonstrates that we cannot always be certain that we will not offend anybody. In our culture, naming a teddy bear is not easily understood as something that would cause offence.

It was a positive thing that British newspapers did not print the cartoons of the Prophet Mohammed, but I would absolutely have defended their right to do so, had they chosen to. I like the fact that they showed their judgment on that occasion and did not print the cartoons, but it is not for politicians to make such calls. We live in a free society, and if we are to preserve freedom of speech, we must allow the organisations that fund the arts—whether they are private or even public bodies—to make their decisions based on the merit of the art that they seek to promote. There were similar tensions over the play "Behzti", which caused many protests. The play, which was by a young writer, raised important issues. Politicians should not get into censoring and judging what the arts should be, because artistic output will not necessarily improve.

On freedom of speech, we had the Racial and Religious Hatred Act 2006, which included proposals to make it a crime to threaten or insult religion. I am pleased that my party, along with others, opposed that proposal and that the offence was reduced to only threatening behaviour or language. It is right that that happened, because it is not for the state to determine people's beliefs or to intervene in such issues. Indeed, the Act, which purported to protect freedom of religion, was strongly opposed by many Christians and people of other faiths, because of a well grounded fear that it could impact on their ability to say what they wanted to in praise of their religion, and that it could interfere with what was said in churches and other holy places.

When we introduce legislation to protect one group of people, it is important that we do not inadvertently destroy another group's freedom of speech. Obviously, when we go beyond beliefs—when actions discriminate against people on the basis of sex, race or so on—the state has a responsibility to protect its citizens. However, we must take care not to enter a Big Brother world of thought crime, where what is in somebody's mind can lead to their being guilty of an offence.

The hon. Member for The Wrekin was right to point out the great benefits of Christianity to this country. It is all very well for us to hear about the negative side of religion, as we often do, particularly in relation to conflict around the world, but, as he pointed out, many of the great artists, musicians and architects of our past were inspired by the Christian faith. We all live with the benefits of that. Christians continue to make a great contribution to our communities locally, nationally and internationally—for example in the work of Christian Aid. Nearer to home for me, a recent study in Glasgow showed that a great hidden contribution was made by Church groups, with more than 2,000 Church-funded projects working in the area to improve individuals' life chances in some of our most deprived communities. In my constituency, a group of young people are keen to set up a youth café in Bishopriggs. The place where they are meeting to do their planning and the support that they are getting from a youth worker are provided by one of the Churches in the area. A great deal is contributed by the Church in this country.

Campaigns such as Make Poverty History or the movement for more fair trade products show the impact that the Church has had on getting issues to the top of the political agenda and creating a critical mass of people campaigning and taking action on those issues. It can also make companies change their mind—for example, by putting pressure on big supermarkets to stock more fair trade products. The hon. Gentleman understandably mentioned the difficulty of getting Jesus or Christian-related Christmas cards, gifts and advent calendars and so on, and perhaps that might be the next campaign that some members of the Church wish to work on. With its network across the country, it can be a powerful lobbying group, and we all know that companies are most likely to listen to numbers on what they will sell.

Christianity has brought great benefits to this country, which is why it is regrettable to see anti-Christian sentiment. I do not think that it is as pervasive and widespread as the hon. Gentleman suggested, but it certainly happens. We need only to examine the case about this time last year of British Airways employee Nadia Eweida, who was told that she could not wear her cross around her neck as a simple demonstration of her faith. I am sure that many Members present signed early-day motions and protested against that ridiculous decision, which was an example of far too much consideration being given to sensitivities that probably do not exist. I cannot imagine people being offended by such a demonstration of somebody's faith.

The hon. Gentleman mentioned that fewer nativity plays are taking place. That is a great shame; I fondly remember taking part in various nativity plays and I am sure that, as Members, we all get the opportunity to see a few. Next Friday, I shall be delighted to go to Oxgang primary school in Kirkintilloch to watch the children perform their nativity play, which is one of the lovely traditions of our education system. Alongside education about other faiths and religions, it is entirely appropriate

that such events should happen. Schools should not feel the need to demur from such fabulous celebrations. I have not met people who have been in any way offended by the putting on of nativity plays.

It is incumbent on all of us to ensure that we treat people of all faiths and none fairly. I believe that that is all that Christians are asking for, and it does not seem too much to ask. We recognise that Christianity is an important religion with a great tradition, and it is now operating in a different, 21st-century Britain, where there are more and more faiths as the make-up of the country changes, and more people who choose not to subscribe to any one faith but to pursue their beliefs and way of living differently. As individuals, it is incumbent on all of us to get along together and to respect each other's beliefs, whether we are of a particular religion or not. Some of the best examples of that are seen in our schools. Young children do not have those prejudices and thoughts of discrimination in their minds, but often learn them from the adults around them. If we promote more integration and understanding at that age, it will help us to deal with some of the problems mentioned by the hon. Member for The Wrekin.

When drafting legislation and considering the equality agenda, we need to bear in mind the importance of people's freedom of belief. That will often mean a balancing act, because of the conflicts between different beliefs, but in a liberal society that is what we must aim for. I thank the hon. Gentleman for introducing the debate and congratulate him on its timeliness.

Several hon. Members *rose—*

Hywel Williams (in the Chair): Order. I should explain that as no Back-Bench Member stood after the first speech, I went straight into the wind-ups, but now I understand that the hon. Member for East Antrim (Sammy Wilson) wishes to speak. I call the hon. Gentleman.

10.6 am

Sammy Wilson (East Antrim) (DUP): Thank you, Mr. Williams. I want to make a short contribution. First, I congratulate my hon. Friend the Member for The Wrekin (Mark Pritchard) on securing the debate and on the subject that he has raised.

Many, including some of the columnists and newspapers, will say that this is just another case of extremism and of someone wishing to push their particular faith beliefs down other people's throats. However, it is important that we set out clearly the fears that are shared by the vast majority of people in not only this part of the United Kingdom but the part of the United Kingdom that I represent, that the foundations of our Christian traditions in this country are slowly being eroded.

Many anecdotes and examples have been given so far. In Northern Ireland, many Christians believe that the authorities, because of fear of various groups, have turned a blind eye to some of the things that have happened. Just last year, the gay pride march marched through the centre of Belfast carrying posters that read, "Jesus is a fag". That was deeply offensive to Christians, but the police were prepared to do nothing about it. The Parades Commission, which would deal harshly with parades of other sorts that were deemed to have caused offence, did nothing about it. Indeed, those in the homosexual community who would rail against any restrictions or attacks on their community by people with strong religious convictions seemed to think that it was all a bit of a joke.

Mark Pritchard: Although this debate is not about sexuality, does my hon. Friend agree that Christians should condemn outright any homophobic comment or behaviour within the Church? Similarly, homosexuals should condemn any Christianophobic behaviour in their community.

Sammy Wilson: I agree; unfortunately, it seems that the apologies are all wanted in one direction. That example was one illustration from Northern Ireland of the authorities' apparent unwillingness to listen to the legitimate protests of Christians who feel that their faith is being put under pressure and attack. Another example that has been given is the public money that went to "Jerry Springer—The Opera" because of falling ticket sales.

In Northern Ireland, one magazine, which claimed to be an arts magazine, went round various churches in Belfast. It attended the church service that I would go to on a Sunday, where committed Christians bring people who are excluded from society because of their disabilities to church on a Sunday. They will take them to their homes beforehand for a meal. Many of those people are mentally disabled and many are physically disabled. In the interest of art, that magazine mocked those attending the church, using terms such as "imbeciles" and "the lame", and expected to receive public money. When I opposed that money, I received some amazing hate mail, including some from people living as far away as London, saying that that was censorship of the worst kind. That is despite the fact, of course, that if Christians had said such things about other groups, there would have been a massive outcry.

Some local councils, Government Departments and schools have tried to suppress references to the festival that we will celebrate in a few weeks' time: Christmas. The "Christ" in Christmas appears to cause offence. Other religions have not said that it is offensive. However, we live in an increasingly aggressively secular society in which some wish to make Christianity a private matter and to ensure that it is not manifested publicly, despite the fact that this remains a predominantly Christian country. If those people get away with that, this country will be the poorer for it.

We have heard already about the contribution that the public face of Christianity has made to shaping this nation and to ensuring social justice. About six months ago, there was a huge protest by Christians outside Parliament. They feel that the Government increasingly lend their ears to those in the secular community who wish to promote secularism aggressively and introduce laws that will make Britain a more secular nation and erode Christian traditions. The Minister will deny it, but that is increasingly the perception of many from the Christian tradition. Laws and public policy tend to be directed towards secularism, and the country will find itself poorer for that. The laws that go through Parliament will reflect that increasing secularisation and, perhaps, a straying away from some of the guidelines laid down by Christian tradition.

Jo Swinson: I am intrigued by the hon. Gentleman's comments. Does he agree that Christianity is important in our society not so much because of our laws and

[Jo Swinson]

structures, but because of the great swell of people up and down the country practising Christianity week in, week out, and sharing their faith with others in their communities? That is more important to this debate than whether the laws that we pass are steeped in Christian tradition.

Sammy Wilson: I take the point that that is the strength of Christianity. All this country's great reforms have come from the strength of Christians pushing for change. However, sometimes, that must manifest itself in law. Although I am not asking for special legal protection for Christians, our Christian traditions ought to be reflected in decisions made by local and central Government.

It is a great pity to see the Labour party become more secular. In its early days, many in the party were led to undertake massive social reform by their Methodist tradition, faith and beliefs. As the party has become more secular and listened to the secular tradition, bad and regressive law has been made, ranging from the 24-hour drinking law to the gambling law. Those laws hurt the vulnerable in society. That is an indication that there is little willingness in the Government and their party to listen to the warning that Christianity would give. The poor and vulnerable should be protected, rather than exposed to such things.

Dr. William McCrea (South Antrim) (DUP): Does my hon. Friend hope that the son of the manse will sit back and make changes?

Sammy Wilson: Well, at the start of the Prime Minister's period in office, there were certainly indications that he might do so. I would welcome it if the kind of Christian tradition that he comes from were to be reflected in some United Kingdom public policy.

With regard to our attitude towards Christian traditions and influences, there are a couple of practical things that could be good for society. First, as the two previous speakers have mentioned, we must get away from the nonsense of thinking that we should try to dilute the Christian aspects of Easter and Christmas, whether in Christmas cards, school nativity plays, or terms that are used. Secondly, public policy and the use of public resources must reflect the fact that, in many areas of our country, Christians and the infrastructure that they have through Churches provide many important and necessary facilities. If it were not for the work of Churches in vast areas of Northern Ireland—not even in a proselytising way, but simply in providing facilities—there would be no community activities or work with young people. However, there seems to be an unwillingness in public policy to make resources available to Churches to carry out such activities. I should like action on that.

This is an important debate and I welcome the fact that the hon. Member for The Wrekin secured it. I trust that some good will stem from it.

10.18 am

Mr. Gregory Campbell (East Londonderry) (DUP): I join others in congratulating the hon. Member for The Wrekin (Mark Pritchard) on securing the debate. Perhaps I may, as he did, risk a measure of irreverence. When I saw the title "Christianophobia", I wondered whether Manchester United had pre-empted the January transfer window and secured another striker. However, I take his point.

Each year I go to visit every nursing home in my constituency. There are about 800 residents in total, and I take them each a small Christmas card. I choose cards with different scenes in different years, as the hon. Member for East Dunbartonshire (Jo Swinson) does, but each year I ensure that there is a stamp saying that every good gift comes from above. In the six years that I have been doing that, no one has taken offence—indeed, nor should they. Equally, when I get cards from members of the Sikh community and those of other faiths, I do not take offence, no matter what cards they send. No offence is intended or taken.

As for the direction in which the hon. Member for The Wrekin is endeavouring to ensure that the Government go, the overriding factor for us, as a society, should be developing tolerance that is not mutually exclusive. We must demonstrate tolerance. Our society in the United Kingdom in 2007 has come about through Christian values. We have the freedom to express opinions. Sometimes people express opinions that many do not accept, cherish or share, but they are entitled to express them, precisely because of the values underpinning our society that allow the expression of such opinions.

The hon. Gentleman and others are not paranoid. They have expressed quite a balanced view, and that should be the outcome of this debate. While we do not accuse the Government and certain elements of society of wanting to close down or eradicate those of us with a Christian view, a political correctness is appearing more frequently that is aimed particularly at those values that we want to espouse and preserve to allow people who do not share them to express their opinions.

I am delighted that this debate is taking place. It is timely, not just because it is the Christmas season but because many people feel that such values are being eroded year on year in this society. We want to ensure that they are again central to our society so that people who do not share them may continue to have the freedom to express their culture, views and ideas, precisely because the Christian ethos allows them to do so.

10.22 am

Alistair Burt (North-East Bedfordshire) (Con): It is nice to have you preside over this interesting debate, Mr. Williams. Before I respond, I must declare a few interests. I am a practising member of the Church of England and a member of the council of the Evangelical Alliance, a group of about 1 million Christians from a variety of denominations. I was also in the same college chapel group at St. John's, Oxford as my friend—I use the word perfectly properly—Tony Blair. Accordingly, although I speak from the Conservative Front Bench and shall be as objective as I always try to be, I make no pretence of being neutral in relation to the Christian faith or its importance to the country yesterday, today and tomorrow.

I congratulate my hon. Friend the Member for The Wrekin (Mark Pritchard) on securing this debate and making his case with passion and honesty. I have known him for many years, since before he became a Member of the House, and I know his concerns and beliefs to be sincere and deep.

This is a highly topical and controversial debate. The combustible nature of the Christian faith and politics and the relationship between the two has been well illustrated by the former Prime Minister. He was not wrong about hesitating to profess his faith too openly, and nor was Alastair Campbell, who, whatever his failings, knew the press pretty well. I doubt that anyone in the public realm was at all surprised when he said that to talk about Jesus in public leaves a cynical media with the target of a politician as a nutter. Why such a sentiment is the norm in a country where, within living memory, a Prime Minister led this House in a day of national prayer ought to arouse more interest than it does. This debate allows us to explore the matter.

On hon. Members' contributions, it is interesting that we all tend to come from the same position—I would be surprised if the Minister were to come from a different one—in expressing a degree of support for my hon. Friend's main contention that there are some instances in modern times in which the Christian faith has appeared to be unfairly attacked.

My hon. Friend was right to raise issues that surface occasionally in the newspapers—whether about nativity plays, the changing of the names of festivals or people taking offence in ways that we find difficult to understand. He made a coherent case. Importantly, he also raised the point that those at the margin of politics are willing to pick up the mantle of Christianity. He referred to the Christmas cards produced by the BNP in some areas. It would not be the first Nazi party to attempt to use faith for its own purposes, which is a disturbing development of which we should all be well aware. It uses faith as a smokescreen to cover its true nature and activities. That illustrates the risk that if those in society who uphold Christian values are not prepared to do so openly and straightforwardly, others might do so in their place.

The hon. Member for East Dunbartonshire (Jo Swinson) spoke about the importance of freedom of speech in relation to the Christian and other communities, and she was right. Members present have mentioned the significant contribution made to British life by a variety of faiths—indigenous ones and those that have arrived over a number of years—and their contribution to our quality of life. She was right to pick up on the contribution of Christian groups to, for example, the Make Poverty History campaign and the Jubilee campaign. In particular, international development has risen enormously up the political agenda partly owing to the efforts of the Church and others.

The hon. Member for East Antrim (Sammy Wilson) referred to problems in Northern Ireland, which is not unused to such difficulties, such as the fact that, when offence is caused to Christians by the display of certain material, the law seems unwilling to act as it might had the offence gone the other way. He and others spoke about aggressive secularism, rather than other faiths, and about attempts being made to drive Christianity away from the public square and into the private realm. That reminded me of a remark made by Jim Wallis, the American evangelist, who occupies an interesting position for an American evangelist by being on the left of centre of American politics—he is a great man. He said that whereas faith is often personal, it is never private, because the expression of faith and what people do with it inevitably interacts with the world around them. The Christian faith cannot be pushed into the private sphere, because it cannot exist under such circumstances.

The hon. Member for East Londonderry (Mr. Campbell) made a strong point about the basis of tolerance in this country often being related to what the Church and Christians have achieved over the centuries, before anyone else was there to defend the rights and privileges of society. All hon. Members who have spoken have recognised, therefore, a particular grain of truth in the debate raised today by my hon. Friend the Member for The Wrekin.

This debate is very difficult to pin down, because there are so many issues to cover. I shall content myself, therefore, with trying to answer a couple of questions: does Christianophobia exist, and if it does, does it matter to faith and the nation? I made the point at the start of my remarks that, within living memory, a Prime Minister has led a national day of prayer supported by other political leaders, newspaper editors and the monarch. That day was, of course, Sunday 26 May 1940, when Winston Churchill led the nation in a day of prayer in the light of the grave threat from Germany and as our troops gathered on the beach at Dunkirk.

We know what happened over the following few days—the miraculous lifting of troops from the beach, their return to the United Kingdom and Hitler's inexplicable decision not to invade Britain. Back then, a Prime Minister could call the nation to prayer in a way that would be very difficult to do today, which tells us something about changes that have occurred in society over a relatively short period. I wonder how newspapers would react today if the Prime Minister declared a day of prayer for a particular purpose. I am sure that quite a number of newspapers would question the man's sanity and look in detail at what had happened to British society. When the same thing happened only 60 years ago, however, the nation thought it in no way strange that it should be called to prayer. So what has happened?

Does Christianophobia exist? Yes, it does. My hon. Friend makes a fair case that there is some misunderstanding at the margins of what faith is about, and people have taken decisions that they might regret with hindsight. It is undeniable that society now views the Christian faith differently from the way it did in the past, but it is uncertain how much of that is due to a more general questioning attitude towards many institutions and how much is due to active hostility.

I agree with my hon. Friend that few people of other faiths are actively hostile to Christianity. As hon. Members know, I had the good fortune to represent my home town of Bury in the House for 14 years. The town has a strong community from Kashmir, in Pakistan, and its members were delighted to have a Member of Parliament who had a faith, which was something that they could relate to and understand. In their discussions with me about where society was going, they were much less concerned about my faith than about their young people associating with others who had no faith, no sense of what the world was about and no God to refer to in shaping their conduct or understanding what might happen to them in the future. I therefore agree that hardly anyone with faith seems to take offence at matters relating to Christianity.

It is also true that there is a modern-day culture of those with no faith seeing offence where it does not exist and misinterpreting support for Christian heritage as an attempt to promote the Christian faith, and we need to deal with that misunderstanding. A huge amount of these things are not done malevolently, but some are,

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and a number of very left-wing, socialist local authorities in the '80s were afraid of dealing with faith groups. There is evidence to suggest that that is changing markedly, and that is important, but it is certainly true that such things existed. The fact that people misunderstand the relationship between Christian heritage and Christian faith and therefore believe that supporting Christian heritage somehow gives unequal treatment to the Christian faith is at the heart of some of the decisions by bureaucrats and officials who believe that they are treating people equally by taking away one of Christianity's privileges. In fact, that is not the case at all, as I will explain in a second.

Christianophobia therefore exists to some degree at the margins, although this is not the only country to face the problem. My second question, however, is whether that matters to the Christian faith. In itself, it does not. I say that because the Christian faith has faced much more serious attacks than the odd rant from secular or humanist groups in British society. Last year, I prayed with Ministers in Albania, which became the world's first self-proclaimed atheist society under the lamented Enver Hoxha—he built mushrooms all over the country for protection, but that is a different story. That society declared itself an atheist society, but a handful of years after the collapse of that brand of communism and atheism, I was praying with Christian Albanian Ministers in their offices. So can the Christian faith survive the odd attack by Christianophobics in Britain? Yes, it can. I can testify to the power of Jesus Christ in Albania and all over eastern Europe, where attempts were made to suppress it.

Despite the pressures, there is evidence of strong growth in particular Churches in contemporary Britain, including the Evangelical Church and the black Church, which is particularly strong and powerful in urban communities and which is making a great contribution to society. Our society has become more pluralistic, and the place of faith in contemporary British society as a result of that is a wider issue, but, again, Christians should not be troubled or worried about it.

A couple of years ago, the Evangelical Alliance produced a report on a commission of inquiry, called "Faith and Nation", which considered some of those issues. On pluralism it said:

> "It is doubtful that Britain was ever a truly Christian country, if by this it is meant that the majority of the Britons were committed believers in Jesus Christ. But in earlier ages Britain's cohesiveness as a nation owed much to a public framework of Protestant Christianity that shaped its laws, moulded its constitution, governed its moral life and underlay national identity. Christianity was in a virtual monopoly position, and those who dissented from it were seen as political, social or intellectual deviants. This overarching consensus has now dissipated, challenged by an increasing diversity of worldviews and faiths".

I think that that is a pretty honest assessment, and, accordingly, the fact that in a more pluralistic society the Christian faith must argue its case more strongly is not, in my view, wrong. It should not fear such a challenge, so that is not a problem to the Christian faith. My answer to the question whether Christianophobia harms the Christian faith is therefore no. I think that it is strong enough to survive, without any question.

Does, however, what my hon. Friend the Member for The Wrekin and other hon. Members spoke about affect Christian heritage in this society, and is that damaging? The answer is probably yes. I think that there is a difference between what Christians believe—their faith—and the faith heritage of the country, without which it cannot be properly understood. That is at the heart of my hon. Friend's concerns. There is evidence that the country today retains a strong and active Christian heritage. Secularists would point out, if there were any here, that the House of Commons and the House of Lords begin their sittings each day with prayer; that at the conclusion of the Queen's Speech the Queen calls for the "blessing of Almighty God" on the efforts of Parliament; that 26 bishops still sit in the House of Lords; that there is religious worship—predominantly Christian—in schools; and that that is all evidence of Christian heritage remaining strong in modern society.

Mark Pritchard: Does my hon. Friend agree that removing the 26 bishops from the House of Lords, as suggested by the Institute for Public Policy Research, Labour's favourite think-tank, would be a retrograde step?

Alistair Burt: Yes, I do. My hon. Friend has anticipated me, and I shall come to that in a second, if I may.

My point is that there is still evidence of a strong Christian element in modern society, which reflects heritage and which is important. However, there is also evidence that that is being slowly squeezed out of modern society, and that is a matter for concern. Some of what is happening is sheer laziness, and we run the risk of losing what we neglect to value. I am not talking about children being indoctrinated in the Christian faith, but I am concerned about children leaving school unaware of the importance of the ten commandments, the basics of the Christian story, key hymns and not only the role of the Church as an institution but Christian lives that changed history, from Bede to Wilberforce. Knowing those things is a fundamental right as a part of children's education in this country, and it enables them to understand where their country came from, prior to working out where it should be going.

Jo Swinson: Does the hon. Gentleman agree that, although it is important for young people in school in 21st-century Britain to understand the Christian tradition, it is equally important for them to learn about other faiths, to prepare them well for the multicultural society that we live in, and to help them understand other countries, given the way society is shrinking globally?

Alistair Burt: The hon. Lady is absolutely right. It is essential, if people are to understand today's world, that children should leave school aware of the major faiths in this country, and worldwide. The lack of that awareness would be a deficiency. My point is that if they do not understand the Christian heritage of their country, which is so deep and which affects virtually every institution and walk of life that they will encounter, that will be an equal deficiency. There is evidence to suggest that that is what is being lost through fear of some sort of inequality, while the importance of the history and heritage is missed.

Let me bring the issue up to date. The Government have a duty. They do not have a duty to promote the Christian faith and should not feel any concern about

that. Christians are not worried that the state does not require children to have a Christian faith, and we would be concerned if it did. However, it is important that the state should protect that understanding of Christian heritage and history.

The IPPR report has been mentioned, and the fact that it has not yet properly surfaced, despite the kite that was flown about it because of the reaction, probably tells the story. The IPPR went way too far by trying to suggest that, in order to accommodate new people into our society, we should take swingeing action against the Christian faith. That was wrong, as the public reaction showed. The report stated:

"If we are going to continue as a nation to mark Christmas—and it would be very hard to expunge it from our national life even if we wanted to—then public organisations should mark other religious festivals too."

It talked about a birth ceremony or something similar where

"Parents, their friends and family and the state agree to work in partnership to support and bring up their child."

That is as worrying an echo of "Nineteen Eighty-Four" as I can possibly imagine. That that report has disappeared and not surfaced tells us much. It is a misunderstanding of the role of the Christian faith in society to try to equate it to some form of equality and tolerance for other faiths. We are not comparing apples and pears.

Where are we going in society? I shall turn, briefly, to a report by the think-tank Theos entitled "'Doing God'—A Future for Faith in the Public Square". The introduction, by the Archbishop of Canterbury and the Archbishop of Westminster, spoke about the ills of modern society and about people losing their place in society. It is true that research into happiness shows that the correlation between happiness and religious faith is strong. Society is immeasurably wealthier than it was, yet it would proclaim itself not to be any happier, and so the place for faith at the centre of society has never been stronger.

The two primates wrote:

"Our society is experiencing a...'moment of perplexity'. Issues of belief and faith, of how human beings perceive the world, have rarely been so important in society, or so badly misunderstood. In international affairs, in education, in the most pressing debates in medical ethics, the modern mind may identify"—

with Tolstoy's words—

"I felt that what I had been standing on had collapsed and that I had nothing left under my feet. What I had lived on no longer existed, and there was nothing left."

The primates were quoting from Tolstoy's "A Confession", in which he talked about his loss of faith, equating it to contemporary Russia, and then about how he had regained faith and therefore an understanding of society. He was showing that the loss of faith in his society was leading to significant damage. That is the point that the two archbishops made.

There is an argument that in the public square there is more room for faith than ever before, with the revival of civic society spoken of by the hon. Member for East Dunbartonshire, and the fact that faith groups are actively involved in civic society—they have seen the gaps in people's happiness and are trying to reassure people that there is some point to life in the midst of despair. That those with faith can do that in a way that secular agencies find difficult cannot be doubted. There is hope for those of faith that that will become more important in the future, rather than less so.

That the Christian faith has been fundamental to the development of our country is undeniable. Recognising that does not require any commitment to any religion, but is basic to our understanding of our nation and is required of Christians, Jews, Sikhs, Muslims, Hindus and others of faith and of no faith. Recognition of that gives no privilege in conventional terms, but is an acknowledgment of the fact that the Christian faith is woven into the very fabric of our society. There are bishops in the House of Lords not because it is unequal for them to be there, but as an acknowledgment of the role of the Church in protecting the very values and freedoms that we rely on. That we have so many faith schools is not due to an Act of Government; it is because the Church created schools and ran them when the state did not even think about providing them, which is why they are important.

Jo Swinson: How does the hon. Gentleman square the fact that this House has voted and declared its intention to have a 100 per cent. elected House of Lords with having unelected people of any sort there?

Hywel Williams (in the Chair): Order. I think we might avoid that particular subject.

Alistair Burt: That is a kind direction, Mr. Williams. I did not vote for that, but the hon. Lady makes her own point.

Dr. McCrea: We dare not, however, close our eyes to the fact that there are some within the media who will denigrate and mock the Lord Jesus Christ, who is my saviour, and yet they would not dare to do so with other religions in the United Kingdom.

Alistair Burt: My hon. Friend and I go back a long time as friends in this House. He makes a fair point, but it is one that I cannot answer. That people feel free to mock my Lord and saviour is something that I know my Lord and saviour can tolerate and live with. It makes me sad, but it does not make me feel that I need to change the laws of society to prevent it. It is interesting that some choose not to raise for satire and other purposes those revered figures in other faiths. They must answer for that. I would argue that all revered figures in our faiths deserve respect, and it saddens me when that does not happen.

To conclude on the point that I was seeking to make, I do not believe that to have a pre-eminence for Christianity in our society is a sign of inequality. I think the British Humanist Association has got it wrong in its response to my hon. Friend's debate. In the press statement, which the chief executive of the British Humanist Association put out, she spoke of bishops and schools, and things like that, and said this:

"This privilege for religion—and Christianity in particular—which the majority of the population do not support, is what is unacceptable in our community today. We should be looking to promote equality and not to regain undue status and privileges for any one religion or belief."

I think that she is profoundly wrong. That Christianity has a pre-eminent position in British life in comparison to other religions is not wrong. It is not a case of

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equality. Of course, the practice of all religions should be free, fair and equal, but that Christianity is pre-eminent is not through any attack on equality; it is an acknowledgment of its role in creating the tolerant, free and democratic society that we all enjoy. If we lose that, will it damage the Church and affect the faith of millions in Jesus Christ as Lord and saviour? No, it will not. The nation, however, would lose far more in terms of what the Christian faith can contribute to the life of the nation, to its civic society, its voluntary groups, or anything else. The Church does not need contemporary Britain, but does contemporary Britain need the Church? You bet it does.

10.48 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): In the few minutes left, I want to respond to the hon. Member for The Wrekin (Mark Pritchard). I congratulate him on securing the debate. Although we still have 20 days to go, perhaps it would be good to start by wishing all Members a very merry Christmas. As Minister for community cohesion, I felt slightly left out of the debate, not least because I have only 11 minutes to reply. I am the only Sikh member of the Government. My parents are from a Sikh background—from the Punjab—and I grew up in west London. I very proudly represent Gloucester, and I am delighted that the hon. Gentleman has got a plug in for Gloucester cathedral before I managed to do so myself. I am unashamedly a supporter of Liverpool football club, and I fail Norman Tebbit's cricket test by supporting India against England at cricket. Why, hon. Members might well ask, am I the Minister for community cohesion? Perhaps it is for of all those reasons.

This debate takes me back to when I was first selected as a Labour party candidate in 2000. By way of welcome, a local journalist wrote an article calling on me to resign—I was only 28—because I was inappropriate for a cathedral city in the west of England. I probably spend more time in churches in my constituency than most Christians, which is ironic, considering the debate that we are having.

I pay tribute to the hon. Gentleman for raising these issues on many occasions. He made some interesting points. From conversations that I have had, I believe that the Christian faith is alive and well. Certainly those of the Catholic faith say that their numbers have swelled in recent years, not least due to Polish migration to this country. I welcome what the hon. Gentleman said about Muslim groups and their comments, including those of the Muslim Council of Britain, about Christian issues and how we should all be celebrating events.

The hon. Gentleman briefly mentioned adoption. I disagree with him slightly. I talked about adoption policy when I was an Education Minister. I strongly believe that, while respecting all faiths, it is important to respect the rights of gay people to adopt. I think that that was what he was alluding to, but I will not go down that path because it is a policy area for another debate.

A couple of hon. Members mentioned "Jerry Springer—The Opera" and the problems and controversy that it caused. As much as anything else, I wonder whether that controversy was more down to the fact that it was just not a very good play.

Mark Pritchard: For the record, I was not alluding to the issue that the Minister suggested. I want to make it explicit that I was talking about some Christians feeling that, in some circumstances, they are discriminated against by some local authorities with regard to the adoption and fostering of children.

Mr. Dhanda: That is a fair point. I know that there is an issue relating to faith-based adoption companies at a local level.

The hon. Member for East Dunbartonshire (Jo Swinson) mentioned, among other things, her Christmas card in East Dunbartonshire. I confess that, as the Minister with responsibility for the fire and rescue service, my card this year is the Fire Services National Benevolent Fund Christmas card. I agree with her about the importance of the Nativity. When I was five—many years ago—I was the king who got to deliver the gold in my nativity play. As she is possibly the youngest Member of the House, when she was talking about the Nativity, I thought that she was discussing the role that she was going to take, but that is another matter.

The hon. Lady also mentioned legislation. There was a slight tension between what she said and what the hon. Member for The Wrekin said about the need for the kind of protections for the Christian faith that he suggested. Legislation has been brought forward in the past couple of years. For reasons that are probably best not gone into, Opposition Members voted against legislation to provide the greater protection that the Sikh faith and Jewish faiths have historically had. I would have liked the Christian faith, the Muslim faith and other faiths to have had such protection, but the House was divided on that issue.

The hon. Member for East Antrim (Sammy Wilson) talked about a pride march. He makes a fair point about offensive slogans—it strikes me that they were offensive. He referred to "their community", but I am sure that he will agree—it is important to get this point across—that one can be both Christian and gay. He also spoke about Christians wanting to protect the most vulnerable in society. I agree with him, but that is true of not only Christians. Every faith with which I work day by day, as a Minister linked to and working with faith communities across the board, shares those values.

Jo Swinson: Although members of all faiths want to protect the poor and vulnerable in society, faiths do not have a monopoly. Many with no faith feel the same sentiments.

Mr. Dhanda: Indeed—that is something that the humanists say when they visit me. We want to be as open-door as possible for all faiths and those with no faith when developing our policies.

The hon. Member for East Londonderry (Mr. Campbell) made a balanced contribution about the need to develop tolerance. That is the thrust of the debate. As the hon. Member for The Wrekin said, this is not about policy or the shape of legislation, but about people's understanding of each other, and of each other's faiths, in the wider country, and what we can do collectively.

The hon. Member for North-East Bedfordshire (Alistair Burt) kicked off with some warm remarks about our former Prime Minister, Tony Blair. I, too, have been watching "The Blair Years" on television. We saw an

interesting and candid interview on Sunday in which he spoke of his religious faith and its importance to him. He also spoke about what people's perception of him would have been if they were aware of how important his faith was to him. I wonder whether that was because he is a devoted Christian, or because he was more afraid of people thinking that he had a religious zeal, full stop. He might have felt that the media would be concerned about that, but the hon. Gentleman made a fair point.

The hon. Gentleman also spoke about the local contribution of faiths, particularly the Christian faith. The Government very much support faith-based regeneration. He talked about the Make Poverty History and drop the debt campaigns. Members of Parliament have seen those faith-based campaigns making a huge difference over the past few years. They show the Christian faith at its very best, delivering on the ground to make a difference not only in this country but worldwide.

Many view the UK as an increasingly secular society. However, we must remember that the Christian Churches have had an immense and historic influence in shaping our society, and that they make significant contributions in a wide range of areas, including community development, education, social inclusion and heritage. I fully recognise the central, historical and cultural significance of Christianity in our country's story. We should all be aware of that and celebrate the fact. The UK has a strong tradition of respect for others, justice, the right to freedom, the right to belief, and a strong sense of right and wrong. The Christian tradition has had a significant impact on the way in which those freedoms and traditions have been shaped, and that continues today through its role in contributing to and shaping Government policy.

As I said, I work closely with faith-based organisations. Later this month, we will be launching our inter-faith strategy, which is about strengthening the role of faith in all localities and communities. The Christian faith will be a key player. I make that commitment to the House and to all faiths in our land.

In the short time left, may I conclude where I started? I wish everybody a very merry Christmas.

Identity and Internet Fraud

11 am

Tom Brake (Carshalton and Wallington) (LD): Today, in the half-hour allotted, I would like to discuss identity fraud and internet fraud. People are still relatively infrequently affected by the former, although it has devastating consequences, but are very frequently encouraged to become the victims of the latter. When I originally sought the debate, I intended to focus mainly on an individual constituency case, but of course since then there has been the small matter of the loss of 25 million child benefit records, with the associated risk of identity fraud. Clearly in half an hour I cannot refer to the 25 million cases individually, but I would like to deal with the concerns relating to the loss of those data.

In the Chancellor of the Exchequer's statement on 20 November, he explained the extent of the loss. He said:

"The missing information contains details of all child benefit recipients: records for 25 million individuals and 7.25 million families. Those records include the recipient and their children's names, addresses and dates of birth, child benefit numbers, national insurance numbers and, where relevant, bank or building society account details."

I am sure that most hon. Members would have joined the Chancellor in welcoming the swift resignation of the man at the top, Paul Gray, who, according to the Chancellor's statement, said that

"given the seriousness of the operational failing he should resign."—[*Official Report*, 20 November 2007; Vol. 467, c. 1102.]

Equally, I am sure that hon. Members will have been astonished to learn that Paul Gray is already back in work, this time in the Cabinet Office, leading a special project on civil service skill development for the Cabinet Secretary, Sir Gus O'Donnell. Mr. Gray continues to receive a salary of more than £200,000.

Hywel Williams (in the Chair): Order. The title of the debate on the Order Paper is crime related to identity and internet fraud. Perhaps the hon. Gentleman would like to concentrate on that.

Tom Brake: Indeed, Mr. Williams, I will do exactly that in my next sentence.

In his statement, the Chancellor pointed out that financial institutions have confirmed that

"the missing data are not enough in themselves for someone to access a person's bank account for fraudulent purposes, as additional security information and passwords are always required. However, we have to recognise the increased risk caused by these missing data."—[*Official Report*, 20 November 2007; Vol. 467, c. 1103.]

That is not as reassuring as it sounds. It is frankly bizarre that in his statement the Chancellor made no reference to the risk of identity fraud—the subject of today's debate.

Before I move on to highlight the individual case to which I originally intended to refer, I would like to ask the Minister a couple of questions relating to the case involving Her Majesty's Revenue and Customs that I think are pertinent. Will she monitor the take-up of benefits so as to be able to identify any decrease in claims that might arise from people's concerns about the loss of data? I see the Minister shaking her head. I

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am happy for her to reply in writing. I also see that you are about to rise to your feet, Mr. Williams, so I will concentrate on issues relating to identity fraud. The case clearly has implications for the arrangements for data sharing between local authorities and the Department for Work and Pensions where they are to work together on benefit fraud. There will be concerns about the amounts of data that will be transferred between the two, the risk that those data may be lost, and that identity fraud may arise from that.

It is worth concentrating on one individual case to see what can happen when only someone's address is used and how that can be abused, because that will enable one to draw conclusions as to what might happen should the data disc with 25 million cases on it end up in the wrong hands. I have a constituent who has repeatedly received at his address letters in the names of a variety of people. They have arrived from a variety of Government agencies. There was clearly a concerted attempt to defraud the benefits system, whether through tax credits, child benefit or the like. My constituent wrote repeatedly, using recorded delivery to return the documents to HMRC, because he was worried about how his address, name and potentially other personal details were being abused.

Having taken up the matter with HMRC, we got a response. My constituent started the correspondence this January and came to me some months afterwards. We got a response in July in which HMRC confirmed that it had a number of IT tools to help identify fraudulent claims, although one must question how effective they are at preventing someone's identity from being abused, given the number of letters that my constituent received in the names of various people from various organisations. We received assurances that my constituent would receive no further correspondence from Government Departments, but unfortunately that was not what happened in practice. He received further correspondence at his address in the names of various people for various purposes, including details from banks about bank accounts being set up.

Having had to take the matter even further, I got a response from the Financial Secretary to the Treasury, who apologised for the fact that my constituent had corresponded with HMRC on a number of occasions using recorded delivery, and that it had taken many months before he eventually extracted a response. In that case, however, the only thing being abused by fraudsters was the person's address. We know that the data discs that have gone missing contained a large amount of data, which dramatically increases the risk of identity fraud of a scale and sophistication that we have never seen before if they get into the public domain.

I wish to broaden the debate to other risks of identity fraud. I thank the all-party group on identity fraud, which sent me a copy of its report that was published in its final version in October. I wish to highlight two things from that report, the first of which is phishing—not of the line with bait variety. There are two types of phishing: one involves social engineering schemes—I am sure that we have all received e-mails encouraging people to go to a website that they think is for HSBC, NatWest bank and so on—and the second is the technical type that involves planting software on people's PCs to capture details while they are using their accounts, and that information is then passed on. Such technical subterfuge is about stealing people's credentials, intercepting online user accounts, passwords and so on.

In its report and recommendations, with which the Minister might be familiar, the all-party group calls for significant police resources to be devoted to the matter. Apparently the Metropolitan police has a fraud alert website, which in 2006 received no fewer than 10,000 hits a month. They also received about 300 e-mails a day. According to the all-party group, that part of the Metropolitan police is resourced with only one police officer, who is faced with the huge challenge of dealing with that volume of e-mails and complaints. There is also an international aspect to the problem, and I hope that the Minister will say what is happening internationally to deal with scams, particularly as many of them originate abroad.

The second key matter that I wish to take from the all-party group report is spyware, which is software that allows people covertly to monitor and obtain details from an individual's computer. I understand from the all-party group that there is a question mark over whether the use of such technology is illegal. Perhaps the Minister will clarify that point. If she could put it on the record once and for all, the knowledge would help the all-party group and others to ensure that appropriate action is taken.

The all-party group raised other points that I do not have time to go through in detail. They include other ways in which identity fraud can occur, such as through online shopping. People can also access information left on second-hand computers, and fraudsters on social networking sites can capture people's personal details, such as date of birth. A less sophisticated type of crime, although it is not identity fraud, can arise from such sites, when people advertise that they are going on holiday and someone breaks into their property. We do not have time to deal with those points today.

I have received a couple of briefings worth mentioning in passing. The first is from CIFAS, the UK's fraud prevention service, highlighting two ways in which it thinks the Government could be more proactive. One is by introducing better controls to diminish the apparent ease with which fraudsters can obtain birth certificates and national insurance numbers, and the second is by clamping down on websites that provide what can be described as novelty or spoof forms of ID. The latter is challenging, because many such websites are not based in the UK. They offer ID that appears to be genuine but is open to fraud. I hope that the Minister will explain, either now or later in writing, what action the Government can take on those issues.

Some of these matters are the Government's responsibility and some are not—they are the responsibility of financial institutions and other commercial organisations. I received an interesting briefing from the REaD group, which focuses on ensuring that direct mailings are sent only to people's current addresses and that they are not sent to deceased persons. Fraudsters often create identities from direct mail, such as credit card applications, sent to people who have died. If they get their hands on such mail, they can create new identities from it and commit fraud.

I apologise if the Minister has not had advance notice of the range of my points, but I hope that she can respond to most of them now or later in writing. One of

the positive consequences of the saga of the lost CDs has been a greater focus on the need to keep data safe and to protect our identities from fraud. I have asked a number of straightforward questions about the impact of the loss of HMRC data and what measures could be implemented to tackle identity and internet fraud, and I am certain that she will want to provide comprehensive and straightforward replies.

11.13 am

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a pleasure, as ever, to serve under your chairmanship, Mr. Williams. I congratulate the hon. Member for Carshalton and Wallington (Tom Brake) on securing the debate. I acknowledge his work and that of the all-party group on identity fraud, with whose report I am familiar.

I shall pick up on some of the hon. Gentleman's specific points first. I would not want anyone to think that I am unable to answer his question about whether I will be monitoring benefit claimants. As a Home Office Minister, it is not quite in my area of responsibility, but he makes an important point and I shall alert colleagues in the Department for Work and Pensions.

It is worth reiterating what action the Government have taken since the loss of the discs. Kieran Poynter, a senior partner at PricewaterhouseCoopers, has been appointed to investigate the circumstances of the loss of child benefit records, and an interim report is due in two weeks. The Chancellor will report that to the House and we will have a wider report in the spring to see what important lessons there are to learn, not only for Government but for private bodies. We hear about it because we have open government in this country, but we know that similar things can, and no doubt do, happen in the private sector, too.

Tom Brake: Having had a conversation this morning with TNT, I wonder whether it is perhaps unfortunate that TNT was the only private sector contractor involved with the mail at HMRC that the Chancellor mentioned in his statement. I understand that Royal Mail and DX are also involved in moving correspondence around within HMRC.

Hywel Williams (in the Chair): Order. Again, I remind hon. Members that the title of the debate on the Order Paper is crime related to identity and internet fraud. Perhaps the Minister could address that issue.

Meg Hillier: Thank you Mr. Williams. I will not be drawn on the ins and outs of the Chancellor's statement. He was responding in the House to a particular incident, and I think he gave a full statement.

The hon. Gentleman has raised the case of a constituent whose address was used to carry out multiple crimes, and later he discussed false IDs available via websites. Both demonstrate exactly why we need identity cards in this country better to lock people to their identity. The fact that someone's address alone is currently enough to enable people to make fraudulent claims in some cases—although I think that most institutions will require further proof—is unfortunate.

Tom Brake: Will the Minister give way?

Meg Hillier: Let me develop my point first. Once we have identity cards that lock a biometric fingerprint and a facial image into a digital chip which can then be checked to prove that the person is who they say they are, we will have a much more secure system and be able to protect the data. We will no longer have to rely on trust, which we have—unfortunately—relied on happily for a long time. Trust is no longer enough to protect against identity fraud.

Tom Brake: I deliberately avoided the subject of identity cards, because Mr. Williams might intervene. Given that the Minister has raised the matter, perhaps she could explain how effective ID cards will be if the person who is seeking a card is using fraudulent ID as the basis for creating it.

Meg Hillier: Without straying too far off the subject, Mr. Williams, I will deal briefly with that point.

A person can only have one identity through the identity registration system, because it has to be linked to a very unique identifier—one's fingerprint. That means that anybody attempting to use something fraudulently will only ever be able to have one identity. But we would also make sure, as we do with our passport interviews for new adult applicants, that we have rigorous checks to make sure that the person in front of the interviewing officer is who they say they are. We can make sure that we can bottom that out. There are a number of checks that can be done at the early stage and we need to make sure that they are absolutely correct. The hon. Gentleman raises an important point, but the core principle of identity cards is that the unique identifier links someone to their identity information.

In terms of security, the information that we hold on the passport database, for example, covers 80 per cent. of British citizens, and all that information is exactly what will be on the national identity register, with the addition of a national insurance number. There have not been great examples of loss of those data. Security is important and we are not complacent about it. The Government have a good record of protecting data and information, notwithstanding the unfortunate loss of the CDs.

Moving on to the points raised by the hon. Gentleman about the all-party report on fraud, we have established the national fraud reporting centre, and the City of London police is to be the specialist force dealing with fraud up and down the country. Only last week I met with single points of contact on identity fraud in police forces and other organisations, including the Driver and Vehicle Licensing Agency. Every year they get together in a forum, which was set up in 2005, to share best practice and information on cutting-edge techniques used by criminals attempting to use identity fraud to commit other crimes. We are also waiting for a detailed proposal from the Metropolitan police about an e-crime unit and whether or not we need to establish a separate body at another point to look into the specific issues of e-crime that the hon. Gentleman has raised.

The hon. Gentleman talked about phishing, which has now been criminalised by the creation of the offence of fraud by false representation under the Fraud Act 2006. Law enforcement and private sector organisations and Government work together to combat the spread of phishing. It is, at the very least, a nuisance to people,

[Meg Hillier]

but has far more serious consequences for those who are caught. The term "spyware" covers a range of software, some of which may be illegal and some of which may not. It is a matter for the police to consider in each case whether anything can done about it, in line with the legislation available. The Department for Business, Enterprise and Regulatory Reform leads on the matter, so I point the hon. Gentleman in that direction if he wishes to know more about that.

Online fraud is clearly a growing issue as more people undertake banking, shopping and a range of other activities online. They do need to be aware of the methods used by fraudsters to try to access online personal details, which can then be used to commit offences. He also raised the social sites on the internet such as Facebook and MySpace. I think a lot of people, when they sign up to them, are unaware that any personal information can be used by people with malign intent. They are also unaware that when they put material on such sites, they give away the copyright. All of those are things that people do not always think about when they go online.

We are now working on getting advertising on these sites to alert people to the risks of putting personal information on those very open forums and to help them to deal with the nuisance of spam messages. We are trying to tackle all these things with the "Get safe online" public awareness campaign—a partnership between the Government, various law enforcement agencies and the business sector, which has now been running for two years. The campaign aims to increase internet security and provide authoritative, trustworthy and independent advice and information from the Government, the police and other law enforcement authorities. In the end, the best way to protect people's identity is for them to do it themselves, while the authorities are left to tackle the worst transgressions.

It is worth highlighting the many measures that the Government have taken to combat identity fraud and related crime. The identity fraud steering group was set up four years ago by the Home Office; it brings together law enforcement agencies, and private and public organisations to implement measures to counter identity fraud. One of those measures is the network of single points of contact that I met with last week. They raised some valid and interesting points about the action we were taking. They were very keen to ensure that legislation kept pace with the challenges presented to them daily by fraudsters who try to push at the edges of what is possible. That network is important to tackling identity fraud. By working together, they are developing greater knowledge and understanding of the issue and sharing information, which can help to prosecute and convict the fraudsters and so protect the public. We are always looking for ways to build on that good practice.

As well as increasing public awareness, we are also as a Government engaging in a lot of activity in both investigation and enforcement. The prevention work is critical because it is the first line of protection of the individual's information. The identity fraud steering group manages the identity fraud awareness campaign and two years ago set up a website that has now had 300,000 visits—approximately 16,000 a month—by people looking for advice. It has focused on the public, but it is now providing information for businesses, too, so they can learn how to keep their information and that of their customers secure, and how best to protect the consumer.

I do not usually like to give a litany of legislation, but I think it is important today to outline some of the legislative changes that have been made to tackle problems of identity theft and the related fraud. There is no single offence of identity theft or fraud: it is what someone does with that information that then leads to prosecution. It is important that our legislation keeps pace with changing techniques. So we have introduced new legislation. The Fraud Act 2006, which came into force in January of this year, replaced the deception offences in the Theft Acts and introduced a new offence of fraud. The new offence includes false representation, failing to disclose information, abuse of position, possession of equipment to commit fraud—passport-factory type equipment—and making and supplying articles for use in fraud. In my local area, last week, two Brazilian men were imprisoned for three years each, I think—at least one of them was—for running a passport factory in Hackney. Since January, therefore, prosecutions have been made under that Act.

The Identity Cards Act 2006 criminalised for the first time the possession of false identity documents. Unbelievably, in the trusting world in which we used to live, it was okay to carry, say, 30 passports in a bag; that was not a criminal offence. Clearly, that is suspicious activity and very rarely would anyone need to do it. The criminalisation of the possession of false identity documents does not relate just to volume, but to the possession of a genuine document belonging to someone else without good reason. That would not affect a parent carrying a child's passport, but if the hon. Gentleman was carrying my passport around, most people would wonder why, and he could be prosecuted under the Act. Those are small but important measures that help to tackle this problem.

The Criminal Justice and Immigration Bill, which has just finished its Committee stage, will increase from six months to two years the penalty for the wilful misuse of personal data. That will be very significant and I look forward to prosecutions under that measure when it is enacted. In 2006, the Computer Misuse Act 1990 was amended to tackle unauthorised access or changes to computer data—another important change. We are also introducing legislation to allow public and private data sharing to combat identity fraud. Although critics of our approach to the national identity register imagine that there is a lot of communication between information systems across Government and sectors, sometimes that link is not there when it is needed to prevent and tackle fraud.

The Police and Justice Act 2006 allows the General Register Office to share information on recently deceased people and we will begin to grant approvals for organisations to access that information from January next year. That should tackle some of the "Day of the Jackal"-type frauds, where someone takes the identity of someone who has died. That will come into force properly next April, once the registered bodies are in place. The Serious Crime Act 2007 allows public authorities to disclose information for the purposes of tackling crime.

The Attorney-General is also considering the issue—quite rightly, a wide range of people in Government are examining identity fraud, as it is a growing concern.

Earlier this year, the then Attorney-General published a review that recommended that the Government work with the police and businesses to tackle fraud. The Government have recently announced £28 million over the next three years to implement those recommendations, which shows that they are putting their money where their mouth is and working to ensure that the problem is tackled not just through legislation but through the necessary practical means.

The Attorney-General's recommendations included the setting up of a national fraud strategic authority, which is at the proposal stage, and we hope that it will come into existence next April. Comments from hon. Members will be welcome as we bring together Government, the criminal justice system, business and public bodies to consider the matter with the City of London police.

Tom Brake: Will there be a review of how the Data Protection Act 1998 is interpreted? Often, it is seen as a bar to exchanging information on fraudulent activities.

Meg Hillier: It is not so much the Data Protection Act as its interpretation that is a problem. I shall examine the matter, but I cannot go into it in the time available now.

We hope that the work that the City of London police will carry out with the new body will result in more prosecutions, which will demonstrate that things are being done. Fraud is not a victimless crime that people can get away with. Furthermore, when people are convicted under legislation that I mentioned, we should make it clear that it is being used effectively to prevent crime.

To return to my first point, however, when we have the national identity register and identity cards, many of the problems will be much easier to solve and people's identities far more secure. I look forward to the hon. Gentleman supporting us on that, and hopefully not following the example of the hon. Member for Sheffield, Hallam (Mr. Clegg), who has said that he will refuse to hold an identity card.

11.30 am

Sitting suspended until half-past Two o'clock.

Road Fatalities

2.30 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Thank you, Mr. Williams, for giving me the opportunity to raise a very important issue. I look forward to contributions from hon. Members on both sides of the Chamber, because I am sure that it is a common concern. The main reason why I have initiated the debate is a tragic case involving the death of my young constituent, Kyle McDermott, last year in Mexborough.

I presented a petition to the House on 29 October this year with more than 5,500 signatures. I shall quickly read out the petition:

"To the House of Commons

The petition of Mrs. Catherine McDermott and residents of S. Yorks.

Declares that 7 year old Kyle McDermott was killed by a hit and run driver on 11/09/06. The driver had 2 previous convictions for drink driving but was sentenced to just 5 months in prison.

The petitioners therefore request that the House of Commons urge the Secretary of State for Justice to urgently review the current sentencing policy for this type of offence with a view to introducing much stiffer penalties."—[*Official Report*, 29 October 2007; Vol. 465, c. 620.]

The petition was raised by Kyle's grandmother, Mrs. Catherine McDermott, who lives on Maple road in Mexborough—the road on which Kyle was killed. He was knocked down by a white van driven by 44-year-old Mr. Christopher Collins, who is also from Mexborough, although he was not detained by the police until 10 months later—it took the police 10 months to track that individual down. Mr. Collins served just six weeks of the five-month sentence that he was given.

Kyle's grandmother, Cath McDermott, was one of the first on the scene after the accident. She told me of her memories of that dreadful evening. It was about five minutes past 6 on a nice summer evening, and Kyle had just been to the shops on his bike. Mrs. McDermott was sitting in the front room watching TV, when she heard screams from outside. She went outside and saw Kyle lying in the middle of the road. She told me that when she got to Kyle, he was vomiting blood and blood was coming from his ears. She told me how she cradled Kyle in her arms as she felt him slipping away. She also wanted me to tell the Chamber how grateful she was for all the efforts of the emergency services, which tried desperately hard to save Kyle. Indeed, Mrs. McDermott told me that they tried for nearly seven hours in the hospital to revive Kyle, but without any effect. I guess that none of us can imagine holding our grandchild in our arms while they slip away—it must be the worst feeling in the world.

I was never fortunate enough to meet Kyle during his short life. All I know is that he was a bonny and lively lad—he was described in the newspaper as "a little angel". Kyle had many friends and loved sport; in fact, he had just had a trial with Rotherham United under-eights. He had just moved up to Mexborough Montagu junior school from Park Road infants. His death was a great blow to the whole community of Mexborough.

As stated in the petition, Mr. Collins was sentenced to just five months in prison, of which he served only six weeks. Shortly after his release, the chief constable of South Yorkshire, Mr. Meredydd Hughes, spoke out

[Jeff Ennis]

about the case in a local newspaper. The article, in the *South Yorkshire Times* of 27 September, was entitled "Chief Constable calls for tougher sentences on hit and run drivers". It stated:

"South Yorkshire's police chief has backed calls for tougher penalties for hit and run drivers—after the man responsible for mowing down a schoolboy was released from prison after six weeks...South Yorkshire chief constable Meredydd Hughes has now added his voice to calls for harsher penalties for killer drivers, while urging campaigners to continue pressurising the Government for change."

The article quotes Mr. Hughes as saying:

"Kyle's death was a tragedy not only for his family, but also for the community. It is disappointing that the strong feeling within the area was not reflected in the length of sentence given and I understand the concern people have that an offender can be released only a few short weeks after his court appearance.

I urge the community to express their feelings by supporting the campaign by the McDermott family to call for longer sentences for hit and run drivers.

Courts across the country have signally failed at times to adequately punish drivers who kill others.

Drivers have the responsibility to stop at the scene of collisions and ensure victims receive assistance.

The law must ensure that those who fail to comply with those simple procedures are correctly punished."

On 11 October 2006, three weeks after the first article appeared, another article was published in the *South Yorkshire Times*, under the banner headline, "Hit and run driver back behind bars". The article stated:

"The hit and run driver who knocked down and killed seven-year-old Kyle McDermott is back behind bars after he was caught flouting his driving ban—just three weeks after his early release from prison.

Christopher Collins...knocked the youngster off his bike on a Mexborough road last year and drove off, leaving him to die. He served less than a third of a five-month jail term and was released from prison last month.

As part of his sentence Collins had been banned from driving for five years—but on Friday he was caught behind the wheel of a car in Doncaster."

Collins was sentenced to a further four months in prison for driving three weeks after being released. I am sure that hon. Members can see why so many people in my constituency feel that there is no justice.

That leads me to the first point of law that I want to raise with the Minister. Many drivers who are jailed for hit and runs are also banned from driving, but the ban operates while they are still in prison. My constituents and I think that a five-year ban should start only once an individual is released from prison, and I would like the Minister to comment on that when she sums up.

Of course, hit-and-run accidents are not a new phenomenon. Indeed, I lost my cousin, Stephen Ennis, to a hit-and-run accident as long ago as 1978. Stephen's case is yet another example of why we need much stiffer penalties for hit-and-run accidents. The issue is best summed up by a newspaper cutting from the beginning of July 1978, with the headline "Licensee who left injured rider lying in road jailed". The article continued:

"A village pub licensee drove for 500 yards with a motor-cycle jammed beneath his car...and neither he nor his three passengers stopped to help the injured rider they left lying in the road.

Michael Bristowe then hid in a cupboard at a friend's house to avoid being found by police.

But when they did ferret him out he told them his car had been stolen from Barnsley earlier that night and someone else must have collided with the motor cyclist, Sheffield Crown Court heard.

Bristowe, 35-year-old licensee of the Lord Nelson, at Crigglestone, a village between Barnsley and Wakefield, was yesterday jailed for a month and banned from driving for two years after being found guilty by a jury of causing the death of Stephen Ennis by reckless driving....He was also told by Judge Cotton to pay the whole of his defence costs.

'In the interests of all other road users, the court is bound to take a serious view of this case,' said the judge"—

that was after he had sentenced Bristowe to prison for a month. The judge continued:

"'And I'm satisfied you drove with your concentration impaired by a large amount of drink. Neither can I ignore your callousness in leaving behind that injured motor cyclist.'...Prosecuting counsel, Mr. Arthur Hutchinson said the accident happened in Wakefield Road outside Barnsley when Bristowe and three friends who were also drunk...were returning from a night out...They had been drinking first at Dodworth WMC and then at Chennell's Bar in Barnsley's town centre, where Bristowe's brother was the licensee.

The accident happened when Bristowe drove on the wrong side of traffic lights at the junction of Wakefield Road and Laithes Lane and collided with the motor cyclist.

After his arrest, Bristowe twice refused a breath test, but a blood test showed he'd got 227 mgs of alcohol in his blood—nearly three times above the permitted limit...Bristowe told the court he had drunk 12 bottles of Guinness that night, but was not drunk because he generally drank five pints of beer, sometimes more, when working behind the bar.

He was travelling no more than 30 mph and was misled by a 'road ahead closed' sign and by a line at the road workings.

'I saw no lights from the motor cycle, and although I felt a bump I thought this was from rubble on the road,' he said.

He also heard a scraping noise, but thought this was caused either by the exhaust trailing on the floor or by the car's wing dropping onto the wheel.

'I hid in the cupboard because I panicked. My behaviour that night was abominable and I stupidly lied to the police. I'm ashamed of myself—but I didn't drive recklessly,' he said."

I know the devastating effect that Stephen's death had on the whole of my family, particularly my Auntie Harriet and Uncle Doug—who has since passed away—and Stephen's brother Dougie and his sister Coran. Steve was 25 when he died and a really good sportsman—particularly at rugby. He was three months younger than me and was in my class at Grimethorpe junior school. I certainly miss him a lot.

It is no wonder that a Department for Transport survey conducted in 2005 showed that in cases where careless driving convictions were made, only 20 per cent. of victims and victims' families felt that justice had been served. Almost half the victims felt that the gap in penalties between dangerous and careless driving is too great. I know that the Minister will probably inform the Chamber that the Department is creating a new offence of causing death by careless driving, with a maximum sentence of five years, but, as I understand it, it will not specifically recognise in penalty terms a driver who is guilty of leaving the scene of a major accident. That is the main point that I would like to make in today's Adjournment debate.

I shall turn briefly to the statistics. In 2002 in South Yorkshire there were two fatal road hit-and-run accidents. In 2006, that had trebled to six. Nationally, in 2002 there were 142 fatal hit-and-run accidents, and in 2006 the figure was exactly the same. In South Yorkshire in

2002, there were 530 hit-and-run accidents where someone was slightly or seriously injured, increasing to 566 such accidents in 2006. In England as a whole, there were 24,040 accidents where someone was injured by a hit-and-run driver, and that figure dropped to 19,046 by 2006. Those statistics from the Department for Transport show the state of the problem.

The Minister will know that I tabled a question with her Department for answer on 15 October, which read:

"To ask the Secretary of State for Justice how many drivers were prosecuted for being involved in fatal hit-and-run accidents in each of the last five years; and what the average length of sentence handed down was."

I received the following reply from the Minister:

"While the Department for Transport monitors details of road traffic accidents including 'hit and run', this information is not linked with details of any subsequent prosecutions.

Although the Court Proceedings Database held by my Department can provide sentencing data on the numbers of defendants convicted of motoring offences that cause the death of a person, the information held cannot distinguish hit and run incidents from those where the driver remained at the scene."—[*Official Report*, 15 October 2007; Vol. 464, c. 750W.]

I suggest that she takes a look at that database with a view to being able to produce that information in future. It is important that we have an evidence base to show whether a person found guilty in a hit-and-run accident case receives a heavier sentence than otherwise. Will the Minister cover that point when she sums up?

I have often wondered why a person involved in a serious road accident would choose to drive off. As in my cousin Stephen's case, the driver often says in court, "I panicked. I didn't know what to do" and so on. Many of my constituents believe that many hit-and-run drivers have an ulterior motive—for example, those drivers' cars might not have been insured, taxed or tested. Equally, they feel in many cases, as in that of our Stephen, that the driver was drinking and that self-preservation kicked in.

It would be interesting to know how many drivers guilty of a hit-and-run offence were also guilty of drink-driving, assuming that they were tracked down by the police in a matter of hours, as the person who killed Stephen was. It would also be interesting to know whether the number of hit-and-run accidents has increased since the breathalyser and the offence of drink-driving were introduced. I have the feeling that it probably has—I have no evidence base to prove it, but that is my feeling.

Many previous debates on the subject in the House have become embroiled in the difference between careless driving and the more serious offence of dangerous driving. Needless to say, in hit-and-run accidents it is much more difficult to prove dangerous driving. I do not intend to become too embroiled in that point of law. The main legal point that I want to make is that because there is no direct correlation between leaving the scene of an accident and a more severe penalty, that may act as a perverse incentive to drivers with something to hide to leave the scene. Of course, I know that magistrates and juries can use their discretion to take that into account when sentencing, but that is not the same as having a compulsory minimum sentence for leaving the scene of an accident. My main point is that the Government should consider introducing such a compulsory minimum sentence.

I do not advocate a certain length of sentence. Some people say that there should be a minimum of three or five years, and some say that there should be a minimum of three years for careless driving and five years for dangerous driving. I know that Mrs. McDermott and many of my constituents in Mexborough advocate the application of the maximum penalty of 14 years for dangerous driving to all fatal hit-and-run drivers. That may be slightly excessive, but I shall be interested to hear what the Minister says.

I simply wish to sow the seed in the Minister's mind to give this extremely important issue detailed consideration. We owe it to the likes of Kyle McDermott and his family to ensure that, in future, no other parents of fatal hit-and-run victims will feel that the person responsible for their son or daughter's death has got away with murder. I look forward to hearing the Minister's response.

2.48 pm

Mr. Christopher Fraser (South-West Norfolk) (Con): Before I pass comment, Mr. Williams, I wish to put on record that I have come from a Select Committee meeting at which I was the only Conservative member, and I must return to it. I hope that the Minister will forgive me for not being here for her winding-up speech.

I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on securing this debate on a most important subject, which affects many constituencies, Members of Parliament and the people whom we represent across the country. It is a most devastating thing for a family to deal with, and the hon. Gentleman did extremely well to articulate the tragic example in his constituency, which is echoed in situations that I have faced in my own. In October, I contributed to a timely debate in this Chamber on road traffic accidents and young drivers. I focused specifically on the point that the hon. Gentleman has just made—sentencing for fatal hit-and-run drivers—and I am pleased to raise those points again today.

Motorists who kill on the road while under the influence of alcohol or drugs currently face a maximum penalty of 14 years in prison whereas—this is the important part of the law—failing to stop at the scene carries a maximum sentence of just six months. I believe that that is an anomaly. I am not suggesting that every young person is a rogue and does things on the road that they should not, but an awful lot of young people drive around in the way described earlier, perhaps in untaxed and uninsured vehicles. Most important, a lot of young people know the law, and they know their rights. As it stands, the law effectively encourages those over the limit to drive off, leaving their victims injured or dying, in the hope that by the time the police catch up with them, they will have sobered up sufficiently to pass the relevant test and will therefore be sentenced for a lesser charge. That is a real problem, and it must be addressed.

During our debate in October, the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick) was made patently aware of the issue by hon. Members from all parties. I do not think that the issue involves party politics. I have tabled questions about it during the past couple of years, because such accidents occur time and time again

[Mr. Christopher Fraser]

on the roads of my constituency in rural Norfolk. They are not quite accidents—some people say that they are murders, as someone is killed on the road when someone else is responsible. There is a technical point, as has been described, about someone who has caused an accident saying that they are innocent and how the court actually finds them. It is a great disgrace that the grief of bereaved families, who have so often lost a young family member who could have made an ample contribution to the community and society, is compounded by the fact that the person who perpetrated that crime, murder, accident or whatever it is called gets away relatively easily to lead their life again.

During the past couple of years, I have read newspaper reports about some of the excuses that people give. There is no excuse for killing someone by driving recklessly—God forbid that it should happen to anybody in this House. Having said that, remorse is one thing, but the most important thing is that justice is served at the start of the process. A message must be sent out that we will not tolerate such behaviour. At the moment, the guidelines offer an incentive in the law for people to leave the scene of a crime.

During the debate in October, the Under-Secretary of State for Transport told me that he would raise the matter with the Ministry of Justice. I hope that when the Minister responds, she will tell us what communication has taken place between the Department for Transport and the Ministry of Justice to deal with the issue, so that it can be dealt with effectively and put on the statute book in such a way that no one will be able to misunderstand the law or misuse it in their favour when such an incident happens. I look forward to reading, if not hearing, the Minister's response.

2.52 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Like the hon. Member for South-West Norfolk (Mr. Fraser)—I agree with everything that he has said—I must apologise to you, Mr. Williams, and to the Chamber, as I must leave a little early, perhaps before this debate concludes. I join the hon. Gentleman in congratulating my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) on a moving speech. His speech was typical of his work as a greatly respected Member of the House—it was extremely well informed and came up with solutions. The solutions that my hon. Friend described are important, and all right hon. and hon. Members seem to agree that they are appropriate.

My reason for speaking—I have had the opportunity to discuss the matter with my hon. Friend—relates to a case in my constituency that raises many comparisons with the tragic case that he has mentioned. Gillian Curran, a bright, vivacious young woman, was coming home from work just before Christmas a few short years ago. She had completed her Christmas shopping just the day before. When I last spoke to her parents, Sandra and Patrick, they told me that those presents and her room remain exactly as they were. Obviously, her sister, Nicola, was devastated. The community reflected on what took place and approached me in the way that my hon. Friend's constituents approached him. I presented a petition to the House that was signed by around 11,000 people, and I attended a debate in this Chamber. I am happy to acknowledge that many of the representations that I made were taken on board by the then Minister, my hon. Friend the Member for South Thanet (Dr. Ladyman), when he piloted the Road Safety Act 2006 through Parliament.

The circumstances of the case are as follows. The young woman was returning from work in a Christmas rush and found herself in a tailback just outside the Hilton hotel in Bellshill. A driver, who was clearly driving too fast, hit her, and her car in turn hit the car in front. The situation ended tragically, with her fighting without success for her life—sadly, she passed away in the evening. On the evidence so far, life for that family will never be the same again. Although they are not looking for vengeance—they have told me that again and again—they find it unacceptable that, because of the ambiguity of legislation on careless driving and dangerous driving, the people who had to make a decision about a prosecution decided that the charge would be careless driving. The consequence was that the person responsible was fined £500 and disqualified for six months. It was not possible to draw the attention of the court to the fact that a life was lost—the court was completely unaware of it. Clearly, that was not acceptable, and I therefore welcome the initiative of the then Minister, my hon. Friend the Member for South Thanet, who sought to clarify that aspect of legislation which, rightly, if I may say, applies to the whole United Kingdom.

Remembering that family and that lovely young woman, whose life was lost so early and who had so much to offer, her family, the community and Scotland's Campaign Against Irresponsible Driving take the view that notwithstanding the 2006 Act, which they welcomed, the matter has not yet been clarified to deal with that case or other cases, such as the one outlined by my hon. Friend the Member for Barnsley, East and Mexborough. Something like nine people a day are killed on the roads. If that is still the case, the law throughout the United Kingdom ought to be absolutely clear. As my hon. Friend has said, it is not necessarily possible to set a minimum or maximum sentence—I am sure that the House would want to address that—but the court should at least have the right to know the circumstances of a case.

The case in my constituency differs in a number of ways from the one outlined by my hon. Friend—there was no drink involved and the driver stayed at the scene of the accident—but, nevertheless, when there are cases such as the one that he has described, it is clearly wholly unacceptable that we, as a Parliament, have not yet addressed the reality that people face. Of all the constituency cases that I have dealt with over the years, none struck me with the same poignancy as that of Gillian Curran. As her parents have said on several occasions, we cannot bring Gillian back, but we have a responsibility to others—young people, certainly, with their lives ahead of them—as fellow citizens, who have the right to feel that they can use the streets and roads of our country in safety. If people act blatantly against the law, as we have heard about this afternoon—our constituents can describe many other such cases—they should clearly face the full penalty of the law. I therefore plead that legislation on road safety should reflect what happens on Britain's roads today and face up to the challenges of some of the less attractive aspects of modern Britain.

The House is being invited to look at the facts and to respond in order to remove any ambiguity and to ensure that if people misbehave, as many sadly do, and that leads to loss of life, the penalty should be paid. Parliament should do its utmost in the interests of road safety and of the people who use the streets and roads of our country.

3.1 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and my hon. Friend the Member for South-West Norfolk (Mr. Fraser), whose powerful speeches I agree with in their entirety. I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on securing an exceptionally important debate. I do not want to embarrass him, but he is clearly one of the most respected Members in the House, and when he speaks he is worth listening to. I also welcome the Minister, who is always willing to listen to an argument and to respond and take it on board, if it is fair.

Clearly this is an all-party matter. Representatives of all parties are here today, and I should declare an interest as the secretary of the all-party group on road traffic victims, which fights for justice for them. However, I am upstaged by the presence of the group's chairman, the hon. Member for Colchester (Bob Russell), who I am sure will catch your eye later, Mr. Williams. I shall congratulate the Government later, but first I want to ask for my condolences to be passed to Kyle McDermott's family.

The description by the hon. Member for Barnsley, East and Mexborough of the incident made it difficult to hold back tears. I have a seven-year-old, and one thinks how one would feel in that situation. It is not a question of revenge when we seek higher penalties. It is a matter of wanting to warn people who get into a car that they are driving a potentially lethal weapon. If one asks a police officer the best way to get away with murder, he will say it is to get in a car and run over a person, because that is likely to result in a fine of a few pounds and some points on one's licence.

I was drawn into the debate before I entered Parliament. In my constituency, a bright young girl was travelling home from, I think, her first weekend away from her parents. I think that she was 17. She was sitting in the back of a car—she was not even driving. Another car hit the one in which she was travelling from behind. The car in which she was travelling spun in front of another car, and she was killed instantly. The driver concerned had been driving for a considerable time, but he was charged not with dangerous driving but with careless driving. I do not think that the fact that Alexine Melnik died was taken into account. The driver was given a small fine and points on his licence. He was not even disqualified.

Peter Meinik, Alexine's father, and the rest of the family, have been extremely brave. They campaigned long and hard for a change in the law. That campaign was supported by my predecessor as Member of Parliament for Wellingborough, Mr. Paul Stinchcombe, and I supported it when I was the prospective Conservative candidate. I know that Mr. Melnik's efforts had a significant input into the change in the law that the Government instituted. I was pleased to enter the Aye Lobby with Government Members to support the new law of causing death by careless driving, which has a five-year maximum penalty. That is wholly the right way to go, because it recognises the severity of such accidents. The threshold for a conviction on dangerous driving is so high that the Crown Prosecution Service is always under pressure to opt for the lower offence, as it can get a conviction. That is understandable, but the problem is that it leads to a minimal punishment. The new law should change the situation.

I apologise to the Minister, because I must leave slightly before the end of the debate as I have to be somewhere else at 4 pm. However, if she has any evidence on how the new law is working, I would be very interested to know about it.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): Perhaps I can help the hon. Gentleman. The new offences will be introduced once the Sentencing Guidelines Council has set out its views, so that they can be operated consistently by sentencers. We hope that implementation will take place earlier rather than later in the new year.

Mr. Bone: That is exceptionally good news. We obviously want to monitor how the CPS progresses.

I believe that the situation has moved on. At the moment, people are clearly trying to avoid prosecution. They are leaving the scene of devastating accidents and not helping the injured, and they are doing it for their own benefit. It is possible that the car involved in such cases is not insured, or it may be for other reasons. However, the main reason for that behaviour is that such people have probably been drinking. By the time the police catch up with them, there is no evidence one way or the other, and I urge the Government to recognise that.

If someone leaves the scene of a fatal accident, the punishment should be equivalent to that for causing death by dangerous driving. The 14-year sentence is the maximum for dangerous driving. It would be exceptional for someone to be sentenced to 14 years, but such an arrangement would give the courts the opportunity to punish appropriately. If the driver has left the scene, the assumption should be made that they have done so for personal gain, because they were drunk or for some other reason.

It would be encouraging if a new law were introduced that gave that extra levy of punishment for the offence. It is a horrible, horrendous offence. It is bad enough, as in the cases of my constituent and that of the right hon. Member for Coatbridge, Chryston and Bellshill, when the driver stops. However, when the driver leaves someone—a young boy—dying in the road, we should assume the worst of them, not the best. The point that I want to make today is that we should assume punishment at the highest possible level and that the courts can work down from it, rather than leaving it on the lower tariff.

3.8 pm

Bob Russell (Colchester) (LD): I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on securing the debate. I thank the hon.

[Bob Russell]

Member for South-West Norfolk (Mr. Fraser), the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and the hon. Member for Wellingborough (Mr. Bone) for their thoughtful contributions on this serious matter.

For the record, Mr. Williams, I am a chairman of the all-party group on road safety. I am also chairman of an associate all-party group called Justice for Road Traffic Victims, which is sponsored by RoadPeace.

I had an Adjournment debate on road safety seven years ago, and it is rather sad that today we are repeating the points that were argued then. However, I welcome the fact that the Government have introduced measures during the intervening years, which have taken us forward; however, there is still a long way to go.

I deliberately do not use the phrase "road accident", because crashes that result in injury or death are seldom accidents. They are normally the result of incompetent driving at one end of the spectrum and reckless driving at the other, with the latter often associated with excessive drinking.

I believe that the single biggest step that we could take to reduce the number of road crashes would be to take tougher action against those who endanger lives through their driving, whether because of excessive speed, lack of care and attention, general bloody-mindedness—sometimes known as road rage—or, worst of all, driving under the influence of drink or drugs. Seven years ago, I welcomed a Government consultation paper on road traffic penalties, which proposed tougher action against motorists who drive dangerously, or at excessive speed, or while drunk. I invite the Minister to provide a progress report on what has happened since that report.

I shall repeat a very telling example that I gave in the debate seven years ago, because it is an example of the way in which road deaths are treated as less important than any other form of involuntary death. That was set out in shocking and graphic detail on 6 December 2000 in a four-page report in *The Sun*, part of which read:

"Allan Jackson was 3 times over the limit when he ran down and killed 3 pals on the pavement. The sentence—Just 8 Years."

The report described how Jackson killed three young teachers as a result of his drunken-driving. Had he shot them or stabbed them to death, he would now be serving three life sentences for murder, but because he was a drunk-driver, and despite his having been banned twice for drink-driving convictions, the judge jailed him for just eight years—less than the maximum sentence, which is only 10 years. Given that he was jailed seven years ago for eight years, I can almost guarantee that, with remission, he is now out, despite having killed three people. What message does that send out? Quite simply, the message is this: if someone is killed in a road crash, the guilty person is treated more leniently than if he had killed using a weapon other than a car driven recklessly.

In 2000, before my Adjournment debate, I took up a case on behalf of a young father whose wife had been killed, leaving him with three young sons to bring up, although I should stress that the driver who killed his wife was not a drink-driver. In meetings with the Solicitor-General and various departmental officials at that time, I asked for four things, one of which was the creation of a new offence of causing death by driving negligently; the court would determine the severity of the case and the sentence. To a large extent, that request has been met, although the measure has yet to be implemented. At least the Government took my request on board, which I appreciate. They have not used my terminology; nevertheless, the spirit is the same.

My second request was for the referral to the Crown Court, for trial by jury, of all magistrates court cases involving a road crash death, and for sentencing by a judge even in cases where a guilty plea is entered. My third request was immediately to suspend the licence of any driver involved in a fatal crash, pending a medical inspection to determine whether they have a health condition that might affect driving. The final request was to provide for an extension beyond the current six-month legal limit during which alternative charges can be introduced if further evidence emerges, either from the defence or prosecution, that affects the original charge.

A national crusade against the number of road crashes is needed. The only sure way to reduce road deaths and injuries is for civilised society to regard those who drive at speed, fail to stop after an accident—"accident" is the legal term—or drink and drive in exactly the same way as we regard those who carry out assaults. We need to shame those responsible as though they were thugs—thugs on wheels. The hon. Member for South-West Norfolk referred to murder on our roads. We regard assault as unacceptable and we need to change attitudes so that those who endanger others through their driving are likewise condemned for their irresponsible behaviour.

Although there is a general condemnation of those who drive while under the influence of drink or drugs, not all drivers have got the message, and the police are having to take increasing numbers of breath tests. When responding to that debate seven years ago, the then Under-Secretary of State for the Environment, Transport and the Regions, the right hon. Member for Streatham (Keith Hill), made reference to the Government's consultation paper on penalties for road traffic offences, and specifically referred to the

"robust package of measures to reduce drink driving."

He said that the review had

"specifically considered raising the minimum disqualification period for first-time, high-risk offenders from one year to two and making drink driving an offence for which a convicted driver has to retake the driving test."

I would welcome an update this afternoon. Are the police now encouraged to

"breath-test in locations where they suspect drink-driving to be taking place, without having to have grounds for suspicion in each individual case."?

He acknowledged,

"That is not random breath testing, but it will allow the police to take a more targeted, intelligence-led approach to that branch of enforcement."—[*Official Report*, 19 December 2000; Vol. 360, c. 338.]

I am most grateful to Brake, the road safety charity, for providing a briefing for this afternoon. It starts by telling me:

"incredibly, there is currently NO specific charge for killing or injuring someone in a 'hit and run', when the driver leaves the scene."

We have heard graphic examples this afternoon of how such incidents are increasing. According to the Department for Transport's report "Road Casualties Great Britain: 2006", the number of people who are leaving the scene of a hit-and-run involving fatal, serious and slight injuries has increased in the past decade from 18,357 to 21,006, so it is a growing problem. More than one in 10—11 per cent.—of death and injury crashes on our roads involve a hit-and-run driver.

At the moment, the prosecutors have to prove that the standard of driving was far below the standard of a careful and competent driver, but if the person has left the scene, that is increasingly almost impossible to prove. The hon. Member for Wellingborough makes a good point, which Brake certainly endorses, that there should be a specific charge for killing or injuring someone in a hit-and-run. If someone leaves the scene and there is a serious injury or fatality, that should be considered a crime in its own right. The courts should be able to punish such offenders, because they clearly have no respect for the law or for the lives that they devastate. We must have tougher prison sentences.

The principle of prosecuting a driver whose illegal behaviour is linked to a death, regardless of the standard of driving, can be seen in the welcome new charge of causing death while driving while unlicensed, disqualified or uninsured, as set out in the Road Safety Act 2006. If I understood her intervention correctly, the Minister said that that provision was likely to be introduced or to commence some time early in the new year. I hope that it is—I and other hon. Members will table questions in the new year if that has not come to pass.

We need a change in the law to ensure that killer drivers do not escape justice, and to act as a disincentive to others from leaving the scene of a crash. We need a charge for leaving the scene of a crash after causing death or serious injury by driving. Brake suggests that that could be a separate charge, or perhaps an amendment to the existing charge of causing death while unlicensed, disqualified or uninsured. The charge would carry a maximum penalty of 14 years' imprisonment, which is equivalent to the maximum penalty for causing death by dangerous driving. In addition, I certainly endorse the point made by the hon. Member for Barnsley, East and Mexborough that when a driver is disqualified and sent to prison, the disqualification should start on the day that they are released from prison, not while they are serving a prison sentence.

I have already mentioned that in the last year for which figures have been published, 2006, there were 21,006 crashes resulting in death and injury that involved a hit-and-run driver. That is a shocking statistic by any standard, and I hope that today's debate will lead to the Government taking further action.

3.20 pm

Mr. David Burrowes (Enfield, Southgate) (Con): It is a pleasure and a privilege to speak in this extremely important debate and I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on securing it. I praise him for the compassion and concern that he has shown not only today, but ever since the traumatic death of Kyle McDermott was brought to his attention. I also praise him for the passion and concern that he has shown in speaking about his constituents and his cousin Stephen and I pay tribute to him for the way in which he did so. It is difficult to bring stories about those close to home to the House, although it must mean so much to the hon. Gentleman and his family to be able to do so. Finally, I pay tribute to him for his passion and concern in seeking justice for Kyle, Stephen and his community in respect of these hit-and-run incidents, which we see throughout the country.

It is important to look at the case of Christopher Collins in some detail because it highlights the issues that hon. Members have brought to our attention today. Speaking of the case, Jools Townsend, the head of education at Brake in Huddersfield, quite properly said:

> "It is shocking to see such a paltry sentence being handed down to a driver who has committed such a devastating crime. Knocking down a young boy and leaving him for dead is a truly callous act—five months in jail and a five-year ban as punishment simply does not bring the driver to justice, nor send out the right message."

That is well said.

The case of Christopher Collins also highlights the great disparity in sentencing, which all hon. Members have discussed. If one looks in detail at the sentence of five months' imprisonment, one sees that it did not result from the failure to stop and report an accident or, indeed, from driving without due care and attention, because the penalty for that is not a custodial sentence. The sentence resulted from Collins's admitting to having perverted the course of justice, although there is concern that it was not adequate even in that respect. That, however, is the only reason why there was a custodial sentence.

Collins was arrested a week after the accident, after a member of the public spotted his damaged van parked outside a colleague's house in Mexborough. Even then, Collins lied to the police, claiming that he was not the driver. It was only 11 months later that he finally owned up to having been behind the wheel, giving rise to the charge of perverting the course of justice.

The concern is that failing to stop and report an accident is hardly given any regard. Many of us think that seeking to evade justice after a hit-and-run accident is not far short of perverting the course of justice; indeed, in certain circumstances, the two are tantamount or indistinguishable in terms of their consequences for victims. It is therefore important to bring the Collins case to everyone's attention to highlight the disparity in current legislation.

The hon. Member for Barnsley, East and Mexborough has been raising his concerns for some time and did so again in the petition of 29 October, for which I pay tribute to him. He has also asked parliamentary questions, in which he has been supported by other hon. Members who have asked questions and sought debates. In that respect, I should note that I am chairman of the all-party group on road safety, which has certainly raised the issue, along with other groups.

My hon. Friend the Member for South-West Norfolk (Mr. Fraser) raised the issue in October and has also tabled parliamentary questions. Today, he highlighted the disparity between the 14-year maximum sentence for causing death by dangerous driving or while under the influence of drugs or drink and the maximum for failing to stop and report an accident, which is six

[Mr. David Burrowes]

months in prison. He also raised concerns about drink-driving incidents and people seeking to evade justice by avoiding an early reading of their proportion of alcohol to breath. He properly made the point that that is an incentive to leave the scene of the crime.

The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) made similar points and raised the historical ambiguity in relation to road traffic legislation. He spoke with great passion and concern about Gillian Curran and the loss to her family and the constituency. As I understand it from a recent speech by the Director of Public Prosecutions, the charging policy that the right hon. Gentleman raised is being particularly considered with the aim of avoiding the situation that I have seen in courts where I have practised in Enfield and Haringey. The easy option is often followed, in that people go for careless driving rather than dangerous driving. I am encouraged by recent remarks that I have heard and documents that I have seen.

Mr. Bone: In Northamptonshire, the CPS takes a different line now. The director reviews every case in which there is a death as a result of driving to ensure that the service is prosecuting correctly. That would be good practice throughout the country.

Mr. Burrowes: Yes. Perhaps we can hear from the Minister whether that practice could be adopted elsewhere. I was encouraged by the Director of Public Prosecutions saying that the CPS is taking the issue very seriously and is not now looking at the easy option. We need to see whether that is being followed through out in the country.

My hon. Friend the Member for Wellingborough (Mr. Bone) rightly raised the tragic loss of Alexine Melnik. That loss, together with that of Kyle McDermott and others, will not be in vain. That is the point of this debate: such deaths should not be in vain but should lead to changes. They have led to changes through the Road Safety Act 2006, but the concern today is that there are still significant gaps. As described by my hon. Friend, hit and run is a horrible, horrendous offence. We should not be dealing with the lower end of sentencing. We should be able to give the courts the full range of options so that they can deal appropriately with the particular circumstances of a failure to stop.

All hon. Members have tragic cases in our constituencies on which we campaign. Soon after I was elected, Abigail Moore, who was aged 25 and from Hadley Wood, tragically lost her life as a result of a hit and run accident in Hackney. There was also the case of Livia Galli-Atkinson. My predecessor as MP for Enfield, Southgate, Stephen Twigg, passionately championed the concerns of the Galli-Atkinson family. Livia's death was not the result of a hit-and-run accident but was caused by dangerous driving. A paltry fine of £2,000 was imposed following that incident on 12 January 1998. It is the efforts of the Galli-Atkinson family, the Melnik family, the McDermott family and others that bring us here to seek to ensure that road safety is taken extremely seriously and is not the poor relation when it comes to criminal justice.

Let us consider the passage of the Road Safety Bill, which is now on the statute book. There was a missed opportunity in that respect. I sought to table an amendment to create a new offence that would properly recognise the importance of allowing failure to stop offences to be dealt with on an either-way basis—either in the magistrates court or in the Crown court. Sadly, sufficient time was not given to the measure in Committee and on Report to allow consideration of what hon. Members are saying today.

However, this cause is being championed. I mentioned the Galli-Atkinson family, who have instigated the Livia award, which commends the service provided by police officers investigating these crimes on a daily basis. It is designed to commend exceptional service for road crash victims and for the cause of justice. We met last month to give awards to many officers in the Metropolitan police for their efforts. At that gathering, it was significant that, time and again, senior police officers, while accepting their awards for dedicated service, mentioned their concern that hit-and-run incidents and failing-to-stop offences were not being given due regard and attracting the penalties that they merited. Lord Simon, as well as myself and others, pointed out the need to tackle such offences and deal with them properly.

The Livia award panel, on which were senior Crown prosecutors, former chiefs of the operational command unit of the Metropolitan police, senior solicitors, journalists and myself, made representations to the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), on tackling the matter and the need for a proper penalty for failing to stop at the scene of an accident. His response was similar to that made in the Committee on the Road Safety Act 2006. He wrote:

> "Deliberately fleeing the scene of an accident to avoid prosecution is a cowardly and deplorable act that must not be allowed to go unpunished. However, it would be equally wrong to assume that because a driver did not stop they must be deliberately seeking to evade prosecution. The driver may be in shock and it would not seem sensible for the law to deter him subsequently from reporting the incident and taking responsibility for it. Equally, the driver's fault may be minimal or non-existent."

The example that has been given—the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle) might give a similar one today—is of a lorry driver who goes along a narrow road and does not realise that he has caused an accident, and goes on his way without knowledge. The Under-Secretary of State for Transport wrote:

> "In such cases a bad driving offence would not apply and the current penalty of up to six months in prison for failing to stop would seem to be about right."

There may well be circumstances in which it is right, but there are many others, as we have heard, in which it is plainly wrong and an injustice. We need to ensure that there are options on the statute book and that we are not limited to a summary-only offence, so that it can be dealt with as an either-way matter and therefore at the Crown court. I do not need to go into different sentencing levels, as the point has been well made by hon. Members.

Sadly, I did not have the opportunity during the passage of the Road Safety Act to go through current legislation to see whether the situation of people who do not know that they have caused an accident is covered. Section 170 of the Road Traffic Act 1988 properly requires a driver to stop their vehicle if a road traffic accident has occurred and there has been either personal injury or damage. That duty on the driver

applies only if he knows that the accident has occurred. In the case of Harding *v.* Price in 1948, it was established that the prosecution must prove that the driver knew of the accident or ought reasonably to have known it. In 1970, the case of Hansen *v.* Powell involved a lorry driver. Convictions were quashed because the driver's knowledge was a necessary ingredient of an offence. Case law and statute therefore already make that point and deal with the Minister's concerns, which have previously been voiced, about those who do not realise that they have been involved in an accident.

We need to deal with the horrendous cases in which the driver plainly knew and sought to evade justice. We have all seen cases in our constituencies, and I have seen them in court, in which the offender deliberately did not stop and, regardless of their motives, may well have denied the victim urgent medical assistance, which might have led to their dying on the streets. In other cases, they may prevent the prosecution from properly identifying them. There are ways and means of doing that: number plates might be cloned through the internet or in other ways, which is not currently barred. They may have other ingenious ways of avoiding identification, but they may well do it simply by driving off and then evading justice, perhaps to avoid being charged with the road traffic offences of having no insurance or licence. The offences that they are avoiding may be on a minor scale, or much more serious if they have alcohol in their system or there are other serious driving offences involved.

We heard in the Livia award process from police officers who do sterling work in serving justice and victims that, time and time again, they are prevented from dealing speedily and properly with the concern of victims and their families by people hitting and running and then trying to flee justice. The time that it takes the police to identify the offender and bring them to justice is of great concern to them. They, and hon. Members, are concerned that there should be a proper deterrent so that people know that, if they fail to stop, they may well face a sanction that is not just six months but could be increased.

I would ask the Minister particularly to address the issue of guidance. Yes, the guidance to magistrates makes it clear that failure to stop is now an imprisonable offence under the 1991 legislation, but sentences of imprisonment are rarely imposed for failure to stop. The court and the prosecution look to the bad driving offences rather than at the failure to stop and the merits of the offence. It should attract a severe penalty in certain circumstances. Guidance indicates that it will invariably be dealt with by way of a financial penalty and penalty points rather than any custodial sentence. It is important that that is addressed urgently.

It is also important that victims' expectations are dealt with. They can be poorly managed. Brake made the point that there is often a disparity between sentencing and expectations. Victims see a sentence of five months and think that that is far too short for the loss of their loved one. It is impossible to compensate for that loss through a sentence, but nevertheless it is important to manage those expectations well and, not least, to have a clear and honest sentence. When a sentence of imprisonment is imposed, it is important that victims and their families know that it will be served. If a sentence of five months is given but the person comes out after a matter of weeks, the families see that and do not understand it. It is important that when a sentence is imposed by the court the public know that it will be properly served. It is important that sentences are explained.

I invite the Minister to take up the question raised by the hon. Member for Barnsley, East and Mexborough about the driving disqualification. Should it run at the time that the sentence is imposed, concurrently, so that people serve their ban in prison? That can mean that they come out and, soon after, are driving on the streets in the same community. That raises great concerns. Should the disqualification period begin after their release from prison?

The understandable point of a driving disqualification is to protect the public. Obviously, that does not make sense: how are the public protected by a driving disqualification that has been served in prison? However, as I understand it, Court of Appeal guidance on disqualification periods, particularly lengthy ones, is on the side of offender rehabilitation. Once they have finished their term of imprisonment, the guidance considers disqualification for a lengthy period to be onerous. There is reference to considering a lesser disqualification period when it is allied to a sentence of imprisonment, in order to be on the side of rehabilitating an offender once they are in the community. It is important that the Minister give careful thought to the guidance that courts use when dealing with sentences for those who will receive a custodial sentence.

I want to give the Minister ample opportunity to reply to all the concerns raised by hon. Members. It is important to seek to plug the gap. I spoke to the Minister who took the Road Safety Bill through Parliament—the hon. Member for South Thanet (Dr. Ladyman)—on the evening after the Livia award last year. He said that when the ink is hardly dry on the last Road Safety Act, everyone jumps up and down with extra measures for the next one. Nevertheless, the point was raised before and during the passage of the 2006 Act, and it will not go away. I know that hon. Members will not let it go away. It is important that we have answers to fill this important gap and deal with the ambiguity. For the sake of Kyle McDermott and all those others who have been mentioned today, I ask the Minister to respond in full.

3.39 pm

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I thank all hon. Members who have taken part in the debate for the way in which they have done so and for their examples. In particular, I congratulate my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis), not only on his good fortune in obtaining the debate but on the powerful way in which he set out his concerns. He did so with great distinction. I agree with what my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who told us that he would be unable to stay to the end of the debate and is no longer here, said about my hon. Friend and the way in which he set out his case. My hon. Friend's reasoning and the solutions that he offered gave us all a great insight into why he sought the debate and into what he wants to happen. That cannot always be said of debates in the Chamber.

All those who took part made similar points and I want to get on to dealing with them, but first I want to set out the current trends. There is no doubt that a

[Maria Eagle]

death in a road traffic accident—that is what they are called, although not everyone sees them as accidents, in certain circumstances—is an appalling tragedy, particularly when it is the death of a young child or young person who, everyone feels, has suddenly and avoidably been snatched away for no good reason. The loss of potential is keenly felt by all who observe such circumstances. Members are of course often part of the chain of observation. That is apart from the consequences for families. My hon. Friend set out very well the long-term consequences and impact of such bereavements. One can see why the effects last for many years. Families can learn to live with those situations, but one never gets over the sudden snatching away of a family member in that way.

The Government, like all the hon. Members present, recognise the tremendous importance of the issue. There is also general recognition that in the past—not just the past 10 years, but probably ever since there has been motor traffic on the road—such matters have perhaps been undercooked, as to the seriousness with which they have been treated. That is the basis of the arguments of many hon. Members today.

If we take the years 1994 to 1998 as the baseline, casualty rates for those killed and seriously injured are down 33 per cent. There is a clear downward trend in the numbers of people killed and seriously injured on the roads. The average has gone down 1 per cent. on the 2005 number, so it is a continuing downward trend, I am glad to say. In the same period the number of children killed and seriously injured went down by 52 per cent., and the figure is down 5 per cent. since 2005. Slight casualties—involving injuries that are not fatal—are down 28 per cent., and down 6 per cent. on the 2005 figure. Every instance, particularly of serious injury and death, is a tragedy to the family concerned, but I am glad that the trends are strongly downwards, which must be positive.

Bob Russell: We all welcome the fact that trends are going down, but the debate is about sentencing for fatal hit-and-run accidents, and I understand that official Government statistics show an increase of between 2,000 and 3,000 in the number of hit-and-run incidents involving death and injury in the past decade. That is therefore an area of growth, which is what we should be addressing.

Maria Eagle: The hon. Gentleman is correct in that the hit-and-run element is an important issue. My information is that 11 per cent. of all reported personal injury road accidents involve at least one hit-and-run driver or rider. That is a significant percentage of cases in which people flee and seek to evade responsibility, for whatever reason. I do not want to say that it is always for a bad reason, although obviously it frequently is. There may always be mitigating circumstances. I accept, as hon. Members have said, that there are blatant examples in which the reason for flight is probably to evade responsibility and minimise the impact on the driver.

Mr. Burrowes: The trend is important. It is increasing in respect of hit-and-runs, and the number of cases of people being left to die is increasing—from 113 fatal crashes in 1977 to 152 in 2006, an increase of 35 per cent. It is important to focus on the right trend.

Maria Eagle: I accept that. It is also important to place matters in the context of the fact that there is an increasing focus on such crimes as a result of which society in general is beginning to regard them as more important. There is now much more social disapproval of both drunk driving and people getting away with such behaviour. That increasing disapproval assists policy makers and the Government in our job of dealing with the higher end of the incidents to which my hon. Friend the Member for Barnsley, East and Mexborough has brought the attention of the House.

My hon. Friend asked why a driving ban is frequently served concurrently with a sentence of imprisonment, an issue to which the hon. Member for Enfield, Southgate (Mr. Burrowes) also referred. I understand my hon. Friend's point. It seems nonsensical in many ways for someone to serve a driving ban when they cannot drive because they are locked up. I intend to have a think about the problem and discuss it with my colleagues at the Department for Transport and the Home Office who have responsibilities and interests in such matters.

I want to stress that matters are not always as simple as they seem. The hon. Gentleman said that rehabilitation is a common issue in sentencing, and that lesser offences are overtaken by more serious offences, so imprisonment would be considered more seriously. There are circumstances in which those in prison can be released on temporary licence as part of their rehabilitation. People in open prison can be released and get jobs as part of their rehabilitation into the community. It might then be sensible for the ban to be served concurrently because we would not would want a chap like Mr. Collins out on temporary licence and able to drive, and banned only from driving when he properly finished his sentence. There are always difficulties in taking a blanket approach, but I am certainly happy to talk further with colleagues in the Government and officials about what, if anything, could be done and whether such a proposal would be a sensible way forward.

My hon. Friend the Member for Barnsley, East and Mexborough also mentioned Ministry of Justice statistics. He made the reasonable statement that we need to be able to tie in the offences with the sentences, otherwise it is difficult to know the trends. I accept that point, but if only that were easy to do. It is a difficult issue, and again I cannot promise to make a difference to the position quickly, but I hear his point about the statistics and see the sense in his argument. However, our data on sentencing often come from the courts, and it is not possible collect everything that we want and tie it to individuals. Our systems of data collection are not always as sophisticated as we would wish. I am certainly willing to have another look at the matter, but I cannot promise to come back swiftly with an all singing, all dancing, joined-up statistics arrangement that will enable us to provide him with what he wants. I do, of course, understand his point.

My hon. Friend also asked about leaving the scene of an accident. Brake and hon. Members have said that the sentences for failing to stop or leaving the scene of an accident are less than those for substantive driving offences, especially those that cause death by dangerous driving. The change in the law under the 2006 Act, which everybody has welcomed, is a substantial improvement. Everybody has accepted that. The new offence of causing death by careless driving, and the implementation of the 2006 Act's provisions shortly, will plug a significant gap.

I shall say a little more than in my intervention about when that will happen and why it has not happened yet. It is important that the Sentencing Guidelines Council should be able to issue its guidelines before the offence is commenced. All that that will require is a commencement order, but the danger of doing so before receiving substantive, carefully thought through and properly consulted on guidance is that sentencers might be more lenient, or might take one view rather than another. We want to ensure that the guidance is issued before sentencers get their hands on the offence as an option. I hope that all hon. Members see the importance of that.

The Sentencing Guidelines Council goes through a specific process, including proper consultation—education of sentencers is also a part—before it issues guidelines. I hope that that will happen earlier rather than later in the new year, but I cannot give a date, as it is not in my power to tell the Sentencing Guidelines Council precisely when it must finish its job. It is engaged, however, and as soon as it has finished it is our intention to commence the offences and give the courts and sentencers the option of a five-year sentence for causing death by careless driving. That will make a significant difference and improvement, as everyone who spoke acknowledged. My hon. Friend the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick) had some engagement on the matter with the hon. Member for Enfield, Southgate at an awards ceremony, apparently—I am sure that that is true. It is certainly important for us to see what happens once the offence is commenced.

I take on board the points made about the remaining perceived gap created by the lack of a specific sentence for fleeing the scene after somebody has been injured or killed in a hit-and-run. I can see the points made with examples by my hon. Friend the Member for Barnsley, East and Mexborough and others. As the criminal law is kept under constant review—I can confirm that, being in the Ministry of Justice—it is certainly something that my policy making colleagues and I, as well as Ministers and officials from the Home Office and the Department for Transport, will want to look at. Hon. Members are right to raise the matter and to say, "Look here, this is still an issue." It is also important to see what use sentencers can make of the new law and how much of an issue remains in practice.

Although some Members have suggested that the six-month sentence for failing to stop is an incentive to leave the scene of an accident, as the hon. Member for South-West Norfolk (Mr. Fraser) said, the alternative view is that if there is a five, eight, 10 or 14-year sentence for doing so, that itself could be more of an incentive to flee. I do not suppose that anyone flees thinking that they will be picked up later; they flee to escape the consequences of their actions, for whatever reason. There is a question whether a higher available sentence than six months would make it more or less likely that people would flee. One suspects that different people would react in different ways.

Jeff Ennis: I thank my hon. Friend for giving way, and for her kind remarks and those of other Members on my having secured this debate. I accept her point. We do not want totally to reverse what I described as a perverse incentive to leave the scene of a crime in order to avoid a bigger sentence. However, we do not want to go too far the other way. I accept that that is a very good point. I said that for the one in five people involved in hit-and-run accidents, the disparity between careless and dangerous driving is too big. There is a feeling on the streets that people are literally getting away with murder. We as a Government must take cognisance of that fact.

Maria Eagle: I accept that point. The new offences in the 2006 legislation do that. Whether they are adequate remains to be seen. My hon. Friend and others said that more needs to be done. We are not ruling that out, but let us get the new offence up and running and see what happens to sentences. On that basis, we will have a clearer view about whether more needs to be done. It is important that we give the new offence a chance to have its impact. Although it is important to change a law when it is flawed, we should not change it so often that nobody knows what the law is. I am talking about practitioners, sentencers and all of us who have connections with the criminal justice system. We need to ensure that we understand and implement the current law before we start changing it overly swiftly.

I am not trying to discourage hon. Members from all sides from continuing to campaign on this issue and to make their powerful points—no doubt they will and they all have today. What I am saying is let us see how the new offences bed in, assess whether they are adequate and whether the extra sentencing power that they give can deal with some of the circumstances raised by hon. Members. If we still see lacunae, I and fellow Ministers will be willing to look further at what more needs to be done.

The hon. Member for Wellingborough (Mr. Bone) said that when courts come to sentencing, they assume the worst if someone leaves the scene of an accident. While I understand what he is saying, there are processes through which courts have to go to pass custodial sentences, and they also have very strong guidelines to follow. It is not always easy to reverse assumptions in respect of one set of offences and not another, although one understands strongly why he holds the view that it may be appropriate in this case.

The Crown Prosecution Service often decides on the charges in such cases, and we would want it to be able to make charges that are sufficient to deal with the circumstances of the case. It will be issuing updated guidance to prosecutors on the bad driving offences, including the new offences of causing death by careless driving in the 2006 legislation. It will issue that shortly in conjunction with the Sentencing Guidelines Council's guidance.

One important thing that we have not discussed is education. As I hinted earlier, disapproval of bad driving and drink-driving has hugely increased. We need to take advantage of that by ensuring that we educate drivers so that we have more of an impact on those who choose stupidly and foolishly to drink while they are over the limit. There are various ways in which we can do that. One way in which we can seek further to cut deaths and serious injuries caused by dangerous and careless driving is to educate the driver. It is less acceptable now than it used to be to sit in a pub, drink five pints and then get in a car to drive home. The more that we can have an impact on that side of things, the more we will be able to cut those figures and see a downward trend in deaths and serious injuries.

Public Service Broadcasting

[Relevant document: First Report from the Culture, Media and Sport Committee, Session 2007-08, on Public Service Content, HC 36-I.]

4 pm

Mr. John Grogan (Selby) (Lab): Almost three years ago to the day, on a similar December day—there was a chill in the air and reports of storms later in the week in the north of England—I held a debate on ITV and regional programming. I said that I was going to tell a winter's tale about the threat to regional programmes on ITV, and I want to continue with that winter's tale. Three years ago we were largely debating the gradual reduction to just half an hour of non-news programming for ITV in the regions.

Today's debate will concentrate primarily on news, which is at the very core of ITV's regional commitment. Michael Grade, the chairman of ITV, referred to regional news being in the very DNA of ITV, but that is now under threat. I shall speak briefly, because this issue is creating a great furore throughout the length and breadth of the land. I know that my hon. Friend the Member for Carlisle (Mr. Martlew) wants to say a few words about the situation facing Border.

It is quite difficult to see what ITV is proposing, because it has not put its formal proposals to Ofcom as part of the public service broadcasting review—the second such review. Rather confusingly, Ofcom's briefing on regional programming states that there are 21 UK variations of ITV regional news programming, yet ITV has hinted that it wants to cut the number from 17 down to nine. Nevertheless, it is pretty clear that some services are under threat. Services in the west country look as if they will be combined, and Border and Tyne Tees are under threat.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): The cuts focus on sports coverage as well as news. Is my hon. Friend aware that Scottish people will be denied the opportunity to watch the European football championships next year because ITV in Scotland failed to bid, whereas ITV in England did not?

Mr. Grogan: My hon. Friend brings very disturbing news to the Chamber, particularly because the European championships is a listed event that should be available to everyone. I understand that the BBC has the rights to some of those games, but I shall find out whether that will be the case in Scotland, or whether they will be available only on satellite.

From Scotland to Yorkshire: another proud region! Our regional news programme has been split into two. Earlier this year, on the very day that Michael Grade took over as chairman of ITV, "Calendar" news was launched. A headline in the *Yorkshire Post* stated triumphantly: "Future is local as Calendar leads ITV fightback". Since then, we have enjoyed two services: one for the north and west of Yorkshire, and another for the south and the regions outside Yorkshire covered by "Calendar". That has been an amazing success, with a 14 per cent. rise in viewing figures during that period, but now that, too, is under threat, along with many other services.

Regional news has been in the DNA of ITV since its conception. It was not mentioned in the Television Act 1954, but minutes from the Independent Broadcasting Authority in November of the same year said that there should be separate provision for purely regional news. That tradition is now under threat.

Regional news is valued tremendously, as is shown by Ofcom's research. The National Union of Journalists, which has campaigned vigorously on this issue, points out that Ofcom's research suggests that only 3 per cent. of people want less coverage of events in their regions, but that 91 per cent. think that ITV's geographical footprint is too wide or about right. Some 97 per cent. want the same amount, or more, coverage of current events in their region. The service is most under threat in regions such as the south-west, where more people than anywhere else—58 per cent., according to Ofcom's research—rely on television for regional news. That is one of the areas where ITV is thinking of merging.

Ofcom's research is not an academic point because it likes to adopt an evidence-based approach. When non-news programming was cut, it was said that that was not valued very much according to opinion polls and so on, although that was disputed. Ofcom said that it would not allocate spectrum for high definition terrestrial television because it was not valued enough by ordinary viewers. Now, staring it in the face, is clear evidence that regional news, and ITV regional news in particular, is clearly valued by the punters. It is imperative that Ofcom responds to that if it is to be treated seriously.

I shall be tabling a early-day motion as soon as this debate is over through which more than 80 Members from both sides of the House will call on Ofcom and the Government to work with ITV to find a solution that enables ITV to generate sufficient income to maintain a regional news network of which the country and the regions will be rightly proud.

I have already mentioned the flamboyant Michael Grade—I mean that in a praiseworthy sense—who has taken over ITV and largely revived its fortunes in recent months. However, he has changed his tune on regional news. I come to my second substantial point.

As recently as June, Michael Grade attended Ofcom's nations and regions conference in Cardiff and made an impressive speech. He complained that most programmes for the nations and regions on ITV had no ads because advertising minuteage was being transferred to more popular programmes such as "Coronation Street". He suggested a possible solution: ITV could get an advertising credit of another two or three minutes for every hour of programmes for the nations and regions, particularly news, that it ran. He said:

> "Immediately, ITV would have an added incentive to invest in programming for the nations and regions"—

not programmes produced in the regions for the network, but programmes such as news for the nations and regions. He continued:

> "And ITV uniquely could use that additional minuteage to attract new money to TV, helping regional and national companies build their businesses."

That was in June. In September, Mr. Grade dropped a bombshell—it was a shock to many directors of the once-proud ITV regional companies—by hinting at massive cuts in ITV regional news from 2009. He also wrote to all MPs, but there was not a mention of the idea of additional minuteage for ITV—he seems to have given up the ghost on that. Clive Jones, the distinguished boss of ITV news, who has visited the House on a

number of occasions, has said that that was very much the solution. I think that Ofcom and the Government need to be a little wary. Perhaps Mr. Grade is trying it on to see what he can get away with, but his words suggest that there might be other solutions.

Regional and local news can make money. I went to another Ofcom conference last week at Canary Wharf, and Mark Dodson, the boss of Channel M, was there. Channel M is a cable channel that is desperately trying to get outlets in Manchester. It is primarily, although not entirely, a news channel, and the main evening news is watched by 150,000 viewers every week—that is 57,000 more viewers than at this time last year. Mr. Dodson said:

"It seems strange to me that television companies are walking away from local news production at a time when there is a real thirst for local news and content. What is the strategy or perhaps the excuse for walking away? It can't be a lack of audience because the local news on regional ITV and BBC services outperforms other types of local output by some margin. Is it the fact that local is no longer fashionable in the Metropolitan watering holes where scheduling strategies are discussed?"

Clearly, Manchester is a particular TV market, and the same model could not be replicated everywhere. However, the situation seems odd because, as is suggested by the experience of "Calendar", ITV's strength is that the more the news is local, the more successful it is likely to be.

In the next few months we will have the public service broadcasting review. Ofcom says that it might produce interim reports early next year, so there is not much time. Mr. Grade has threatened that if he does not get his way and Ofcom does not agree to the cuts, he will keep the same number of news programmes, but cut the quality, sack journalists and so on. I remind Ofcom that the House gave it a statutory duty under the Communications Act 2003 to maintain the quality of regional programming, so it is not necessarily clear that Ofcom should roll over if Mr. Grade attempts to carry out his threat after his proposals have been amended by Ofcom through its review.

I also call on Her Majesty's Government to take an interest in the matter. I welcome the noticeable change of tone from the Secretary of State, whom I greatly admire, and Ministers. There is a big Back-Bench interest in the subject throughout the kingdom, and Ministers should also be interested. The Secretary of State has set up his own review of public service broadcasting. I would not expect the Minister to confirm that that is a shot across Ofcom's bows, as it were, as if to say that if Ofcom does not do its job and defend PSB sufficiently well, its powers will be examined to see whether it needs additional powers, or Ministers need to make more policy decisions. Ultimately, and rightly, the Secretary of State, from what he has hinted, feels that major policy decisions should go to Minister's desks as well as those of Ofcom officials.

Regional news is beloved of many people up and down the country and a key part of our democracy. It would be scandalous if the House was to acquiesce to the BBC—I speak as chairman of the all-party BBC group and as a great admirer of the organisation. It would be bad for our democracy if the BBC had a monopoly on regional news and if the editor of "Look North", which covers my constituency in Yorkshire, were the only person to determine whether a story was sufficiently newsworthy to go on local TV.

For that reason and others, including the fact that the BBC will not broadcast local TV news—it pulled out of that following the TV licence settlement—there is a tremendous opportunity for ITV. It should not give up the ghost of its heritage. If it concentrated more on regional advertising and did more marketing, and if it argued for additional regional minuteage, a solution to the problem could be found, and we could knock back substantially Mr. Michael Grade's proposals.

4.12 pm

Mr. Eric Martlew (Carlisle) (Lab): If I speak for longer than three minutes, will you notify me, Mr. Williams? I want the Minister to have plenty of time to reply to the debate. My hon. Friend the Member for Selby (Mr. Grogan) is very knowledgeable about this matter and covered the vast majority of points that I wanted to make. I thank him for giving me some of his time—it is unusual for hon. Members to do so.

I wish to speak specifically about Border Television. It does not do only what its name suggests, because while it covers the borders between England and Scotland, it takes in a third country: the Isle of Man. To that extent, the service is unique among those for the ITV regions. It is also important to me because its studios are in my constituency and it employs nearly 100 people in well-paid jobs. However, I am not concerned about only the jobs. We have a good station that is appreciated by the people in the area. No other station in the country has a higher percentage of possible viewers watching the local news, but that might be destroyed. There is a perception that if the amalgamation goes ahead, programmes will be broadcast from Newcastle, probably from the Gateshead studio. The BBC does that—its programmes are broadcast from there to Carlisle and the rest of the north of Cumbria—but it does not get such good viewing figures. In fact, they are only just about acceptable. We cannot seriously consider sending news from Newcastle to Stranraer, Douglas on the Isle of Man and the southern part of Cumbria. That is not possible and it would not be acceptable. The people in Stranraer will tut and will not accept that whatsoever.

My hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) intervened earlier about Scottish football. The worry that we have in our area is that all that we might get could be Granada and Manchester United. The people in Dumfries would much sooner be watching Queen of the South than either Rangers or Celtic. We have a unique station; it works well, and the reality is that it has always been profitable. It was profitable when it was taken over, which was not so long ago.

When I asked Michael Grade how much would be saved by getting rid of Border Television, the answer was, "I'm not going to tell you." In a further meeting, he said, "I will tell Ofcom, but I am not making this matter public." I suspect that he is saying that because the amount is very small.

There is a massive campaign in the borders to save Border Television. I attended the switching on of the Christmas lights in Carlisle, and thousands of people were signing postcards to send to Ofcom. I know that the same has happened in Dumfries and throughout the rest of the region. There will be a rolling campaign. I

[Mr. Eric Martlew]

think that there will probably be more letters and more support from the Border television region than anywhere else in the country. We do not want to lose the uniqueness of the area. We do not want to be joined with the south, if that is the option—the people of southern Scotland certainly do not want to joined with the rest of the area—because we believe that we will never get mentioned.

For example, Barrow-in-Furness, which is in the Granada region, has been mentioned 13 times on Granada Television in the past three months. The Isle of Man, which is covered by Border Television, has been mentioned 83 times. The reality is that we have a good station, and we are going to fight for it. Ofcom should listen. ITV signed a contract, and we should keep it to that contract.

4.17 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I congratulate my hon. Friend the Member for Selby (Mr. Grogan) on securing the debate. I was not here when he secured the debate three years ago, but I am delighted to respond to him today.

I want to deal with the point made by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan), as I have an answer for him. I have been told that the European championship finals in 2008 will be on both BBC and ITV. The issue has been confused by Scotland's World cup qualifiers, where the home games are on Sky and the away matches are on Setanta. That is because the qualifiers are not listed as a universal sports event, but I have been told that it is our intention to review the list of sporting events around 2008-09, and we will no doubt take on board his comments.

My hon. Friend the Member for Carlisle (Mr. Martlew) made a strong case on behalf of his constituents and Border Television—I know that that issue is contentious. He emphasised both the popularity of the channel and the unique role that it plays for his constituents. I am sure that Ofcom will take seriously his representations, and those of his constituents, if they respond directly to Ofcom in the consultation.

My hon. Friend the Member for Selby knows that the Government are committed to retaining a strong regional dimension to public service broadcasting, reflecting the UK's cultural traditions and meeting the needs of diverse communities. The commitment can be broken down into two separate policy goals, which I am sure that he shares. One is that programmes are made for the regions; the other is ensuring that programmes are made in the regions. Both are important, which is why we hard-wired a regional dimension into the Communications Act 2003. As a result, the 2003 Act facilitates the development of a critical mass of production embedded outside London and the M25 area, and it ensures that broadcasters continue to invest time and money in producing high-quality programming for the regions.

BBC and ITV offer programmes made in and for viewers' regions, and ITV, Channel 4 and Five are required to produce a proportion of programmes outside the M25—indeed, 51 per cent. of ITV's spend and 58 per cent. of its hours are in the regions. ITV claims that it carries 5,000 hours of regional programming each year.

The key theme of today's debate is the regional programming dimension, which my hon. Friend emphasised. As I think we all appreciate, that dimension has provided ITV's unique appeal and has been one of the reasons for its success as far back as its launch in 1955. I think that the BBC responded by killing off Grace Archer—those of us who are old enough might remember it—but even that did not capture the same audiences as today's. One of the reasons why ITV's regional programming has been successful is its distinctive voice. Its services are seen as the region having its own conversation, rather than as London or the metropolis talking to the regions.

I agree with my hon. Friend's independent research—people really value their regional programmes. The weekly reach of any regional programme, whatever research is considered, is always greater than that of any commercial radio or television station. He is quite right to draw attention to such programmes' popularity and importance in people's lives. He is also right that competition from ITV forced the BBC to respond and change.

It would be wrong to think narrowly of regional programming as the regions talking to themselves. Regional programming should cater to regional interests and communities of interest, but that does not mean that it should not reflect the regions to the nation as a whole. Much programming does that—programmes such as "Emmerdale" or "Coronation Street" have been highly successful in that genre. However, regional news constitutes the vast majority of ITV's regional output in terms of both volume and cost. ITV spends more than £100 million a year on its regional provision alone.

The key question, which my hon. Friend addressed, is how sustainable such expenditure is in the light of increasing competition from digital and multi-channel television and new media. Mingled with the impact on ITV's falling advertising revenues, that is a challenge to the viability and sustainability of ITV's traditional funding model. ITV's total revenue in 2006 was £1.6 billion, down from an all-time high of £1.9 billion in 2000. My hon. Friend suggested that Ofcom should look again at the constraints on advertising built into ITV contracts' rights renewal mechanism. No doubt Ofcom and others watching the proceedings in this Chamber will consider it as a possible issue.

John McDonnell (Hayes and Harlington) (Lab): May I preface my remarks by saying that the Minister comes to this debate from an immense success in protecting arts funding in the comprehensive spending review? I am grateful to put that on the record.

We in the National Union of Journalists parliamentary group have been involved in discussions with Ofcom and ITV. We thought that we were making progress on a range of options available to ITV to maintain its income stream and regional news production and delivery. Our concern is the unilateral announcements that have been made about targets for savings of £40 million and Michael Grade's complete disregard of the debate that has been going on. Our view is that we should say to Ofcom, "Use your teeth on this occasion to bring people to the table for those discussions."

Margaret Hodge: ITV has put a proposition on the table that must be considered by Ofcom. Last night at ITV's Christmas reception, I said that I was looking forward to the debate that will arise from that. At this

point, it is ITV's proposition. No doubt ITV has the potential for advertising revenue as much in mind as anything else.

Ofcom's last public service broadcasting review was in 2005. It concluded in relation to public service broadcasting commitments that some programmes that previously could find a place in the schedule would no longer be able to do so, so I think that Ofcom has demonstrated an engagement that hopefully will lead to a viable and sustainable outcome that protects what hon. Members want us to protect but nevertheless recognises the viability of it.

Let me mention another issue that arose as I was preparing for the debate. It is interesting that of the 17 or so stations that ITV has, four cover more than 50 per cent. of the population, so there may well be an issue about stations in relation to population, which I hope hon. Members will have an open mind on too, as the debate concludes.

The "New News, Future News" document, published by Ofcom on 26 June, focused on the significant challenges that face regional news. As my hon. Friend the Member for Selby has said, the analysis and summary of responses will be published shortly—I think that the conclusion will wait until 2009. Ofcom is also considering other interesting issues relating to the disengagement of people from news, which is of interest to us in the House of Commons, and impartiality, on which I have no doubt that my hon. Friend and others have strong views. It was on that basis that ITV published its strategy document "A content-led recovery", with its new strategy for regional news. The interesting thing, which I hope we all welcome, is that ITV has confirmed its continuing commitment to providing regional news. The focus of the debate is the viability of the model to deliver that. I bear in mind what my hon. Friend the Member for Carlisle has said in that context: the model must retain the locality dimension, which is so important.

ITV has confirmed since publishing the document that it is committed to ensuring that each region is fully equipped with the necessary journalists, camera crews and news-gathering equipment to get all the top stories. It will also provide segments within news programmes to provide an even more localised service in certain areas. The document refers specifically to the Tyne Tees and Border region.

I note that my hon. Friend the Member for Selby is concerned about the Yorkshire TV bulletin, "Calendar", and the fact that the sub-regional editions have gone. The Government accept that there is understandable concern in certain areas that the quality of the coverage—another issue that he raised—may be under threat from the proposals. He is right to say that we must not sacrifice quality in attempting to meet financial constraints. If there is one thing that my right hon. Friend the Secretary of State has made clear, it is that excellence and quality will be the driving motivation for all we do in the Department for Culture, Media and Sport family.

There are examples of very good quality regional broadcasting by ITV—for example, its coverage of the terrible floods this summer and stories about local hospitals and local football teams, all of which are important ingredients in regional broadcasting. During very difficult times such as those, people want information about how the floods are affecting their schools and hospitals, and that information is always best provided locally.

Of course, we recognise the pressures on ITV, but we believe that regional news remains a core part of ITV's public service remit. Therefore, Ofcom must carefully consider whether the proposals set out by ITV will enable broadcasters to sustain those close regional relationships with their audiences. I welcome ITV's commitment to engage with Ofcom on the issue in the second review of public service broadcasting. I also welcome the report on the issue by the Select Committee on Culture, Media and Sport, published on 15 November.

We all agree that regional television remains a cornerstone of British television. Nevertheless, as in the rest of public service broadcasting, the picture is changing as we move from an analogue to a digital world. The Government are clear, however, that in this new world there will continue to be a vital role for public service broadcasting, such as regional programming and regional news, and we have made it clear that we do not see that being produced just by the BBC—

Hywel Williams (in the Chair): Order. We must now move to our next debate.

Housing (Mid-Dorset and North Poole)

4.30 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I was pleased to secure the debate, which gives me the opportunity to raise some specific constituency issues.

I am fortunate to have lived for more than 30 years in a beautiful part of the country, and even more fortunate to have the privilege of representing the area. My constituency is characterised by the fact that almost every part is within 5 km of specially protected heathland—indeed, much of it is within 400 m. For part of the debate, I shall concentrate on the Purbeck part of my constituency. The ratio of house prices to wages in Purbeck has been shown to be the sixth highest in the country and the highest outside the London boroughs. The proportion of second homes in Purbeck is 6.9 per cent. and the Purbeck Housing Trust has a stock of only about 1,600 dwellings. It is obvious that young people and others on low incomes experience great difficulty in finding suitable accommodation.

The first issue I wish to raise is the impact of Natural England's policies on some of my constituents. Natural England is of course an unelected body, and many residents are concerned about the scale of its power and the democratic deficit. I should point out that I live within 5 km of protected heathland but further than 400 m away. I should also like to tell the Minister that during my political career, spanning more than 21 years, I have fought to protect and enhance local heathland.

In 2006, Dorset local authorities informed applicants for residential dwellings within 5 km of protected heathland that their proposals could not be approved until a solution was found that would mitigate any impacts. An interim solution had to be put together fairly quickly because it was clearly impractical to have virtually no development allowable in Poole or Dorset. All the councils involved have worked together with Natural England and have agreed an interim policy, which permits residential development within the 400 m to 5 km band, provided that mitigating measures are agreed. As the Minister wrote to me in a parliamentary answer:

> "The boroughs of Poole, Bournemouth, and Christchurch, together with East Dorset and Purbeck district councils have agreed to develop a long-term strategy for the protection of designated heathlands".

He went on that that should allow

> "for more detailed consideration of mechanisms and measures to ensure the appropriate and necessary mitigation of residential development proposed to 2026."—[*Official Report*, 21 November 2007; Vol. 467, c. 887W.]

My concern is that there will probably be no movement on the restriction on small-scale applications within the 400 m band. If Natural England says, "No," that will be it, however much consultation is carried out. I understand the logic behind the 400 m rule; it is simple, clear, and easy to apply—indeed, I suspect it makes life easier for local planning officers: just say no. I emphasise that I agree with the need to protect our wonderful heathland. However, I want to put the cases of just two of my constituents. I could recount many more.

A young man with a baby and a wife, living with his parents, bought a plot with a small bungalow on it that could accommodate two dwellings. The idea was that he and his brother could build two properties and house themselves in the area in which they wish to remain. He started to deal with the local planning authority in March 2006, when an indication was given that support would be given to the replacement of one dwelling with two. I do not have any strict views on back garden development. I think that every case needs to be considered on its own merits. I do not go out campaigning against such developments, but we need to ensure that each development is right. Without any preconceptions about whether the planning application was good or not, there was an indication on the subject of the two dwellings.

My constituent incurred the expense of a flood risk assessment and an arboricultural assessment. On 9 October, it was requested that he have a bat survey carried out. In a letter at that time, Natural England considered that the proposal would not have a significant effect on the interest features of the site of special scientific interest. However, on 20 October—just 11 days later—Natural England wrote to say that it did object, and, in essence, the 400 m rule was applied. My constituent continues to live with his family, and neither he nor his brother have a house.

In Corfe Mullen, east Dorset, a couple coming up to retirement, who were not particularly well off, had an informal viewing by East Dorset district council, and informal advice was given by letter that there was a reasonable prospect of obtaining permission for a second dwelling on their site. They saw it as their pension fund. They submitted plans on 24 February 2006, which were refused on the grounds of scale and bulk, so they submitted further plans in July 2006. At no time were they informed of potential objections from Natural England. They first learned on a visit to the planning office on 27 August 2006 that the 400 m line went down the middle of the proposed plot.

I am aware that larger builders and building concerns keep their planning permissions live and build when they wish, so the local authority cannot afford to stop their planning permissions. Instead conditions are put on the permission, such as no cats. That is a pretty useless condition, but that is how it is handled for sophisticated people who know how to handle the planning system. In one case of a potentially big development, it has been suggested to me that, although part of the proposal lies within the 400 m limit, enough money will be offered that it will be considered exceptional circumstances. I put it to the House that the system is a blunt instrument for ordinary people, and there should be some flexibility, even if the starting point is a presumption against development.

Natural England has pointed out to me that the 400 m zone has been supported by planning inspectors in appeal cases, but to me that is just indicative of the power that Natural England wields. I hope that the Government can set out some guidelines so that it is at least possible to have case-by-case judgment. My constituents are being told by their respective councils that they have no hope of getting planning permission. One of them went to visit the local office of Natural England, where the officer said that the final word was not for them but for the local council. They are playing games. It was not a pleasant experience and my constituent was given no hope that there would be any movement.

I have questioned with all the planning authorities concerned whether the 400 m rule will put further pressure on our valuable green belt—we have some of that in addition to the heathland that is designated green belt. Each reply stated that only a modest number of houses would be built on infill sites in the 400 m zone, apart from one large site in Poole. Why cannot a more sophisticated approach be taken, examining individual settlements to work out how much development is being halted and whether the impact of that development would be greater than expanding the size of existing houses, which would be allowable? The two cases that I have mentioned were on the outer limits of the zone, right in the middle of heavily populated residential areas, and in one case, the distance from heathland was 400 m as the crow flies. How easy it would be to access heathland from there must surely be considered, rather than just a straight measurement.

I wish to comment briefly on the south-west regional spatial strategy, the final report on which we are awaiting. Again, there is a democratic deficit. In May and June this year there was examination in public, at which, to my knowledge, no Members of Parliament were allowed to go and talk. I find that incredible when one has been elected by a large number of people. My constituents expected me to be there to speak, but I wrote three times and each time was refused. There are proposals that would affect the green belt in my constituency—700 homes are proposed in a beautiful valley, which local residents do not want to lose. If affordable housing for local young people was being built, the reaction might be slightly different, but by the time the infrastructure is put in—anybody who has been to Dorset will know what our roads are like—there will be very little money to provide the housing that is needed.

As one can imagine, being a young person looking for housing in Purbeck is very difficult. I have had a number of cases in which a single mother, or single parent, is seeking housing. Because supply is so tight and because it takes such a long time, single parents cannot be offered housing near to their extended family. Surely it is important to take the extended family into account. Why is not proximity to the extended family within the criteria for allocating houses? Because of the constraints on building, it is not possible to build more houses in areas in which most people need to be in order to be near to their mother or grandmother.

To help the situation, a councillor and I have suggested allowing our housing trust to buy existing houses that come on the market, particularly former council houses because they are a bit cheaper. It has been demonstrated to us that that will not stack up in money terms. It only makes sense to use the amount of money that is available to a housing trust to buy new build. New build in Purbeck is in way out places such as Bovington, where there is no public transport. It is not helping the cohesion of the family if we cannot have the flexibility to produce innovative solutions. I want consideration to be given to the monetary position, because it makes sense to buy existing houses in order to keep a family together and enable them to support each other.

Another concern is the number of flats that are being developed in Poole and right across the south coast. Our local council says that it is the Government's fault that so many flats are being granted permission and that nothing can be done about it. People who drop into my surgeries often talk about the number of flats being built everywhere. I am not going to spend a lot of time talking about this—I should declare that the owner of the plot next door to me had an application to build flats, but it has been withdrawn, and there is not an application at the moment. However, this potential loss of family houses is of concern to my constituents. We are not getting a balance. Figures show that of all the new dwellings in Poole, 70 per cent. are flats, which is way over the allocation. Something is wrong either at Government level or in the processes set at local level, but we are not getting a balance in the development that is allowed.

I have raised a range of housing and planning issues, but they are issues that are coming up time and again in my surgeries, and I really wanted the opportunity to discuss them publicly.

4.43 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to be serving under your chairmanship, Mr. Williams.

I congratulate the hon. Member for Mid-Dorset and North Poole (Annette Brooke) on securing this debate on planning and housing in her constituency. She is right to say that it is a vital issue, not just in her constituency but in every constituency in the country. We work together really well on the Public Accounts Committee. I have a lot of time and affection for the hon. Lady. However, I am afraid that I will have to disappoint her on a number of points today. She will understand that I will not be able to go into detail on a lot of her concerns, particularly with regard to the regional spatial strategy and individual planning applications. I do not want to prejudice in any way the impartiality of my right hon. Friend the Secretary of State should the proposals for the regional spatial strategy come before her at a later date, and I know that the hon. Lady will accept that.

The draft regional spatial strategy for the south-west, based on the detailed proposals made by the relevant Dorset authorities, identified potential for the urban areas of Bournemouth, Poole and Christchurch to provide about 29,000 additional dwellings by 2026. We now await the recommendations of the independent panel that carried out the examination in public of the draft regional spatial strategy earlier this year. However, I reiterate to the hon. Lady that I cannot, of course, comment or speculate further on what might arise from that until the panel report is published.

The hon. Lady said that, as an MP, she was not allowed to appear at the examination in public. I point out to her that anyone can attend such sessions, because they are held in public. However, given that EIPs are concerned with discussing selected matters, the decision on whom to invite as participants is made by the panel and is based on representations made to it. It is for the panel to explain why they ask certain people to appear and not others. I hope that that clarifies the matter.

On the national perspective, we need to rise to the challenge of making new housing affordable, which is why the Government have announced that we will invest £8 billion to increase the amount of affordable housing over the next three years—a £3 billion increase on the

[Mr. Iain Wright]

last comprehensive spending review period. By 2010-11, we aim to be delivering more than 70,000 affordable new homes a year. The wider aims are for 2 million new homes by 2016 and 3 million by 2020.

'mportant though they are, this debate is not just t.ut the numbers but about ensuring—I think that the hon. Lady alluded to this in her excellent speech—that new homes are part of well-designed and mixed communities, which will mean more family homes and greener homes built to the highest environmental standards to meet the challenges posed by climate change. That is why we have set out the most ambitious target of its kind in the developed world—to have all new homes zero-carbon by 2016. Furthermore, we need to provide enough land to meet the challenge of building new homes. Councils are tasked with identifying 15-year supplies of land for housing, with the continuing priority for sustainable brown land. However, it is important to point out that we are not changing the rules on strong green belt protection.

For a generation we have not been building enough homes. Since the early 1970s, the level of new build has been far less than the demand. I therefore welcome the fact that we are now building more homes than we have been for about 17 years. Figures sh.w that 185,000 were built in the last year for which data are available. However, we need an additional 240,000 new homes a year to meet the target of 3 million new homes by 2020. Last week in the House, we had the Second Reading of the Housing and Regeneration Bill, which will help greatly to ensure that those 3 million homes will be built. A key part of the Bill is the establishment of the homes and communities agency, which will be tasked with working with local authorities and local and regional planning bodies to ensure that they can step up to the plate and build what is necessary in their area. That is a crucial part of our ambition for more homes

The hon. Lady focused on the constituency and regional perspective. I am aware that providing more housing in Dorset brings its own special challenges. She said eloquently that the county is characterised by its outstanding environmental quality, with its numerous international, national and local designations playing an influential role. That means that any housing development must respect the high quality of the surrounding environmental assets. The Dorset heathland is designated as a special protection area and a special area of conservation, which stems from European directives aimed at protecting important habitats and bird life. I know that Natural England's decision to object to all planning applications for housing developments within 400 m of thos.e sites has caused some local concern, although the research has also shown—she mentioned this—that adverse effects can be experienced by heathlands up to 5 km away.

We made it clear in the planning White Paper that a high level of protection should be given to our most valued townscapes and landscapes, wildlife habitats and natural resources, and that those with international and national designations should receive the highest level of protection. That is why we believe that it is essential that the local planning authorities in south-east Dorset progress plans to mitigate those effects by providing alternative open space or heathland management to divert potential users away from such sites.

I am pleased to see that work is progressing well on a joint heathland mitigation plan by the south-east Dorset local planning authorities, with a consultation taking place in September to October and a public examination programmed for May or June 2009. I must point out that without that interim mitigation framework, I agree with the hon. Member for Mid-Dorset and North Poole that there would effectively be a moratorium on all new housing developments within south-east Dorset. Most of Purbeck district council, Poole borough council, Bournemouth borough council, Christchurch borough council and East Dorset district council is within 5 km of that heathland, which would prevent south-east Dorset local planning authorities from meeting their targets in relation to affordable and market housing.

A moratorium would also adversely affect the local economy, especially the construction industry, and perversely the environment would be affected as current residents and visitors would have nowhere other than the existing heathlands sites to use for recreation. Therefore, it is absolutely imperative that the interim mitigation framework allows the provision of new recreation areas and the improvement of others, enabling the construction of new housing without compromising the environmental quality of the area.

The hon. Member for Mid-Dorset and North Poole mentioned the green belt and I have touched on that issue already. I repeat that the Government have made it clear in the planning White Paper that we remain committed to the key principles of the green belt, and we are not changing green belt policy. With all the concern that has been expressed about building on the green belt—I have written many letters to hon. Members about this—it is worth saying that this Government have increased the amount of green belt land. Since 1997, we have seen the amount of green belt land across the country grow by 64,000 acres. In 2006, the amount of land designated as green belt amounted to 1,631,800 hectares. That is about 13 per cent. of the land area of England, compared with 8.3 per cent. of the land area classified as urban land. There are also no Government plans to review green belt boundaries—they are a matter for local authorities and regional planning bodies.

The hon. Lady was eloquent in saying that this issue is not only about the numbers, although they are important; it is about the role of the local authorities providing a strategic vision for housing in their areas. Planning policy statement 3 asks local authorities to develop key and clear strategies for where housing will be developed in their areas, working with local communities.

The hon. Lady referred to infill and so-called garden grabbing. While some intensification of urban areas may provide a useful contribution to housing supply, that is a local matter. It is for local authorities to make the choice about where they want housing to be located, and to strike an appropriate balance between intensification and other options, including greenfield development. Local authorities have the powers that they need to prevent inappropriate development, which can include housing in back gardens. They can set local policies to provide the strategic overview specifically to protect gardens from development, and they can exclude gardens

from their brownfield targets. It is important that they make those decisions by working with their local communities.

Annette Brooke: I thank the Minister for his helpful comments, which I will take back to the local planning authorities. The Minister will recall that I am supporting the 5 km policy wholeheartedly. I am concerned about the blunt instrument of a rigid 400 m boundary as the crow flies, so that anything within 400 m, however difficult it might be to walk to or get to the heathland, is now prohibited. I wonder whether he agrees that in all cases there should be a point at which there is a case-by-case judgment, as was just said in relation to back gardens.

Mr. Wright: In terms of a case-by-case basis, a balance needs to be struck between local authorities providing policies and a strategic vision for an area, which includes infill, garden grabbing and other matters relating to housing and planning, and site-by-site consideration. Such a balance definitely needs to be struck. PPS3 provides the means that local planning authorities need and the weapons to decide what type of housing they want, and where, which is important. That is not a top-down approach dictated by the Government. It is very much a matter for local authorities, working in consultation with their local communities.

Regional planning guidance note 10, published in 2001, is the current statutory regional spatial strategy for the south-west. Its policies focus development on the region's main towns and cities. I am reluctant to talk in detail about it, but the emerging RSS, which the South West regional assembly is considering, seeks to continue and reinforce the view that development outside those areas should be of smaller scale in order to meet local needs. However, it should seek to increase the overall level of housing delivery across the region as a whole, in order to meet growth needs and to address the affordability problems mentioned by the hon. Lady. The important question is what rate of housing development is appropriate in Mid-Dorset and North Poole in order to meet local needs. As I have said, however, I am going to disappoint the hon. Lady: we must await the RSS panel report, although I understand that publication is imminent.

I turn to the rural communities that are such a wonderful feature of the hon. Lady's constituency. I have mentioned the balance that needs to be struck between the strategic vision and case-by-case solutions, but it is important to consider bespoke solutions, rather than treating growth as a one-size-fits-all solution. It is about understanding a community's specific needs, and how they work.

Gathering evidence and understanding local housing markets is a key step to ensuring an appropriate mix of housing to meet local needs, including affordable housing. As for rates of housing development, clearly there needs to be a proper balance between demand and supply and promoting a sustainable pattern of development for the region. The regional spatial strategy process sets that balance with a planning framework for a sustainable pattern of development for the south-west. Looking ahead to 2006, it sets rates of housing development in the hon. Lady's part of Dorset.

The Government's commitment to tackling housing supply and ensuring more affordable housing with reforms to the planning system will equip local communities with the tools to focus on solutions tailored to local needs. The Government are keen to increase the supply of housing and to address problems of affordability so eloquently referred to by the hon. Lady.

It is clear that there still needs to be substantial housing in the small towns and villages of the region, with a focus on delivering more affordable housing. However, I cannot stress enough how important it is that the south-west owns the agenda and seeks its own solutions. The regional spatial strategy will provide rates of housing development for each planning authority in the region. Most important, however, it will be a spatial strategy prepared in harness with strategies for housing investment, the environment and the region's economic growth. Together, they will provide local communities with a clear strategic context.

PPS3 suggests how local planning authorities might use their local development frameworks to set the balance of different household types to be provided across the planning area. Those measures, along with others, are intended to strengthen every local community's ability better to meet its housing needs. I suggest that the hon. Lady asks whether her local authorities were using PPS3 to judge the mix between flats and family homes. PPS3 provides a clear opportunity for local planning authorities to designate what they need in terms of housing, and where they need it.

The region's No. 1 priority is the provision of more affordable housing to help improve the balance of its housing markets. My Department also has the key objective of sustainable communities in all regions. Today's debate has given us an excellent opportunity to reinforce the Government's commitment to a better future for the south-west. We want more homes in appropriate places—more homes, green homes and better homes.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.

Westminster Hall

Thursday 6 December 2007

[MR. ROGER GALE *in the Chair*]

Burma

[Relevant documents: Tenth Report from the International Development Committee, Session 2006-07, on DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai-Burma Border, HC 645-I and -II; and the Government's Response to the Tenth Report from the International Development Committee, Eleventh Special Report, Session 2006-07, HC 1070.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Liz Blackman.]*

2.30 pm

Malcolm Bruce (Gordon) (LD): I can say on behalf of members of the International Development Committee that we are extremely pleased to have the opportunity to debate our report. Naturally, we think that all our reports are important and relevant, but this one is particularly timely. It is important for the House to understand that the Committee undertook an inquiry into the situation in Burma before the recent events took place. After all, the plight of the people of Burma has been serious and deteriorating for 60 years, but, clearly, what has happened since our visit has put into sharp focus just how desperate it is and how important it is that the world does everything that it possibly can to alleviate the suffering there.

Members of the Committee visited the Thai-Burma border in May. We met groups that work cross-border to try to support internally displaced people close to the Thai border but on the Burmese side. We also met exiled groups that were operating out of Thailand to support the Burmese people, and in both Chiang Mai and Bangkok, we met a variety of charities and non-governmental organisations that are involved.

As I said at the outset, Burma has suffered from 60 years of civil war—my lifetime—and 45 years of a military rule that is callous, inhumane and entirely destructive. We had the opportunity to visit one of the largest camps on the border, Ban Mai Nai Soi, and to speak to the refugees. Many told us of how they were subjected to forced labour and harried out of their villages and into the jungle.

The Committee spends a great deal of time discussing poverty, but the kind of poverty that was described to us in Burma is beyond comprehension. Poverty is often described as earning less than a dollar a day, but for the internally displaced people in Burma, it is earning and having nothing. They have no access to food, medical care, education, shelter or anything. They had to flee into the jungle and were constantly harried.

David Taylor (North-West Leicestershire) (Lab/Co-op): The right hon. Gentleman refers to poverty in Burma. The poorest state in Burma is probably Chin, which is on the Indian border. Does he think that there is considerable scope, as Christian Solidarity Worldwide urges, for cross-border initiatives to relieve the poverty in that state, as well as to promote democracy and human rights, in the way that CSW and other organisations have done for such a long period?

Malcolm Bruce: I am grateful for that intervention. Naturally, the Committee was not able to visit all the border sites, but the report does refer to the fact that there are refugees fleeing across the borders with India, Bangladesh and China. Obviously, there are displaced people in those countries as well. The answer is simple: we should support efforts to provide relief to people along any of the borders. There is evidence that more could be done on all fronts, but, clearly, the biggest pressure is from eastern Burma into Thailand, which is why the Committee went to that area. However, the hon. Gentleman's point is correct.

John Battle (Leeds, West) (Lab): I am listening carefully to the right hon. Gentleman's speech. He led my colleagues on the Committee and me in producing an excellent and timely report. Could I suggest to him that the poverty that we saw is not just about an inability to get resources to live on? The fact that people are displaced across a border means that they are in no place with no hope for the future. We saw absolute desperation driven by violence. I think that we sometimes underestimate poverty, which can also involve oppression, violence and statelessness.

Malcolm Bruce: I am grateful to the right hon. Gentleman for that intervention. Of course poverty is all those things. We saw poverty, but what we heard about was even more serious. We spoke to the people who had actually made it across the border and were receiving some kind of support in camps. Their situation was pretty bad, but the stories that they told of how they got to the camp and the suffering that they saw before they managed to get there were, as I said earlier, beyond comprehension—and, for many people, beyond endurance.

We were told by the support agencies about the completely brutal actions of the military forces. For example, we were told that the head people of villages were forced to kill their own families in front of the village or be killed themselves. They were then harried out of the village, which was destroyed. Women were subjected to continuous and violent rape and, after enduring all of that, fled for their lives, taking nothing with them. They survived on what they could gather in the jungle or what cross-border agencies could get to them until they managed to arrive at the camps, where we encountered them. It is important to acknowledge that providing aid across the border is itself a difficult and dangerous operation, but it provides an essential lifeline for the people in that area who have literally nothing.

We were told that villagers were forced into labour by the soldiers who destroyed their village. They were then forced to plant crops and work their own fields but were driven away into the jungle while the crops grew and matured. They were then rounded up and forced to harvest the crops for the benefit of the soldiers—none of the food went to the villagers. In such a situation, even the basics of subsistence are not provided, let alone things such as health care and education, which we regard as fundamental to even a rudimentary civilisation. In many cases, none of those things was provided.

[Malcolm Bruce]

The situation on the border represents a huge dilemma for the Royal Thai Government, who clearly have a problem. They are concerned that, if they provide too much support, they will attract even more refugees and increase the burden. Nevertheless, they are not lacking in compassion. It is estimated that there may be 1 million or even 2 million Burmese refugees living illegally in Thailand.

Ann McKechin (Glasgow, North) (Lab): I thank the right hon. Gentleman and Chairman of the Select Committee for his introduction to this important debate. Would he agree that the international community must do more and offer resettlement for refugees? Frankly, it is unlikely that many refugees will be able to return in the short to medium term, and the Thai authorities have been left with a truly dreadful dilemma, as they try to cope not only with the people in the refugee camps but the 2 million who live in Thailand outside the camps. Should not the international community do more and offer permanent resettlement in their own countries?

Malcolm Bruce: I certainly agree with the hon. Lady, but, in that context, we could also do more to help Thailand. We should all share its economic burden. Of course, many of the illegal refugees are gainfully employed, but there is the danger that they may be deported at any time. Clearly, that is not a satisfactory situation.

I entirely agree that other countries should be willing to help, although I believe that the hon. Lady would acknowledge that that in itself would create a dilemma if it resulted in taking leadership away from the camps—they have more to offer—and leaving the poorest and least-skilled people behind. There is a dilemma even in trying to ensure that a social structure is maintained.

Richard Burden (Birmingham, Northfield) (Lab): I am following with care what the right hon. Gentleman says, and I agree with everything so far. On the situation with the refugees—he may be coming on to say something about this—it is clear that we need to sort out our own co-ordination. As far as the UK is concerned, the Foreign Office is responsible for refugees and the Department for International Development is responsible for several things relating to internally displaced people. Equally, on an international level, the respective roles of the United Nations Office for the Co-ordination of Humanitarian Affairs and the UN High Commissioner for Refugees need to be brought together in a much more consistent way if we are to do the right thing by the refugees.

Malcolm Bruce: I completely agree with that. The hon. Gentleman will be aware that the co-ordination of all kinds of agencies is an issue that comes up in almost every situation that the Select Committee investigates. It is certainly true in this context that more effective co-ordination would be of benefit to the refugees and displaced people.

The hon. Gentleman anticipated the point that I was going to make about the operation of DFID and the Foreign Office and the location of offices. We were a little surprised to arrive in Bangkok and find that the DFID office was in the process of closing. The decision, which had been taken some years ago, was perfectly understandable, in that Thailand is a middle-income country and DFID's commitment is to poor countries. In that context, the Committee would not expect Thailand to have a DFID office, but the reality in Burma is that DFID has a serious daily responsibility to be in touch with the plight of people operating in Thailand to support people in Burma. We have asked the Government to reconsider their decision to operate entirely from Rangoon with no DFID staff in Bangkok. I do not expect the Minister to give a commitment to act on that, but I should be grateful if he at least undertook to look closely at the practice. I told the Secretary of State informally that my guess is that, if the groups that operate out of Bangkok were asked whether they are frustrated at the absence of the daily contact that they previously had, they would say yes and that they would appreciate a more regular contact.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): As a member of the Committee on the visit, I reinforce the need for co-ordination in Bangkok. Many organisations can freely co-ordinate their activities in Burma through direct aid and across the border only when they leave Burma. They must meet outside, because there is no way that they can meet and speak freely about what they are doing within the regime.

Malcolm Bruce: That is exactly the point. People were prepared to say things to us during meetings in Bangkok and Chiang Mai that they would not have been prepared to say in Burma. In that context, the Government say in their response to our report:

> "We will arrange meetings at least every 3 months with those groups who provide cross-border support, and with those who lobby for political change from outside Burma. This will ensure a regular flow of information and ideas."

I suggest that a meeting every three months does not compare with daily contact, which is what happened before relocation to Rangoon. The Government continued:

> "Second, we will continue to engage with all donor co-ordination initiatives both in Bangkok and Rangoon. The flight from Rangoon to Bangkok only takes one hour."

The problem is that one does not know when to fly if one does not know what the issue is, and that comment demonstrates remoteness from the need to engage with groups in Thailand.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I shall return to this point if I am fortunate enough to catch your eye, Mr. Gale, but it may be helpful to say now that, as the Committee Chairman knows, the Conservative party strongly supports his point. We hope that the Government will look again at the excellent section of the report that argues that point, and we want to encourage the Minister, even now during our debate when he has his officials behind him, to consider whether he can change policy on that important matter.

Malcolm Bruce: I am grateful for that intervention and support. The Government should consider carefully whether they can continue to maintain the close links, co-operation and working relationship with groups operating in Thailand if they do not have a permanent member of staff or two based in Bangkok.

We were, however, impressed with the work of the Foreign Office and the embassy in Bangkok, and we do not wish in any way to criticise that work, particularly in support of refugees. We believe that a DFID engagement is necessary in addition to, not instead of, the Foreign Office engagement. I hope that the Minister and the Department will think carefully about the decision that has been enacted and consider whether, in practice, they need to revisit it. I hope that they will do so, because we are not convinced that the close relationships that were maintained before the office closed can be continued under these arrangements.

The Government have acknowledged that support for refugees and cross-border organisations, and in-country support for the Three Diseases Fund and the civic society group, are not mutually exclusive, and we had a considerable debate about that. We had the impression at one point that the Government were arguing that cross-border support was something that other people provided, and that DFID and the Government had an advantage in providing in-country support. I should like to make it clear, as I am sure would the Committee, that we commend DFID's work in Rangoon and want it to do more of it, but looking at the problem of Burma in its entirety, we do not believe that we can do that without providing support for cross-border agencies and exile groups at the same time. It is not an either/or matter; the approach should be dual-pronged.

In the light of developments since our visit, will the Minister tell us by how much, for example, the funding of the Three Diseases Fund can and will be increased and whether it is still possible to work with civic society and faith groups in-country in the wake of the recent clampdown? How closely supervised are DFID staff, and how restrictive is the supervision by the junta Government and their officials? Were any of DFID's key partners inside Burma directly affected by recent events? Those constraints and problems are being confronted on the ground.

I welcomed the Secretary of State's announcement on 29 October that aid to Burma will be doubled from £9 million to £18 million by 2010. I also welcome the fact that that will be reviewed and could lead to the quadrupling of aid, which our Committee called for, on the same time scale. Although, not surprisingly, there has been some concern that the Government should go further and faster, it is fair to say that they have responded positively. The hon. Member for Sutton Coldfield (Mr. Mitchell) looks rueful, and no doubt he will explain himself, but we asked for a quadrupling of aid. The Government have not ruled that out and have immediately doubled it, so it would be churlish to deny that that is a positive response.

A small matter of Committee sensitivity is that it received the Government's response to our report on 15 October, and in response to our call to quadruple aid they said:

"we will be considering an increase in funding for our programme in Burma following the Comprehensive Spending Review settlement in October."

A week later, they announced their decision to double it and that they might further increase it subsequently. It would have been good for parliamentary relations if they had acknowledged the report and the response to it, rather than implying that they had made a spontaneous decision unrelated to anything that was going on. We shall claim the credit anyway.

James Duddridge (Rochford and Southend, East) (Con): I hope that the Minister was listening and that, when he finally accepts the full recommendations and quadruples aid, he will commend the Committee on its work.

Malcolm Bruce: I am grateful for that intervention. There is a serious point, because the Committee worked extremely hard and made serious recommendations. It is gratifying when the Government accept all or part of those recommendations, but Ministers seem to be reluctant to acknowledge that they are responding to parliamentary pressure. It would be a virtue if Ministers welcomed that and publicly acknowledged it, but perhaps that is for the future.

John Battle: I would like the right hon. Gentleman to emphasise one point. Aside from the increase in funds, the business of the Three Diseases Fund is crucial, because 70 per cent. of the population are at risk from malaria, and Burma now has the third highest HIV prevalence in the whole of south-east Asia. Moving on from our report, I suggest that DFID and other international donors should start to look at alternative mechanisms for tackling the three diseases. We saw from the maps that were presented to us that there is no way that their present strategy will cover people's needs.

Malcolm Bruce: I thank the right hon. Gentleman for that intervention. I certainly hope that the Department will provide more detail on how it is using the extra money to scale up delivery of those services. I agree with him that a stronger and deeper infrastructure is necessary for that to happen. The point is that the Burmese Government—if one can call them a Government—spend almost nothing on health care and provision and, as the Committee has discovered from looking at aspects of health care in other parts of the world, if there is no health service infrastructure it is extraordinarily difficult to provide even the most basic treatment. Nevertheless, the evidence is that the Three Diseases Fund has been successful in reaching at least some people, and it would be worth the Government explaining in more detail how they propose to extend it to reach more people more quickly.

In the present situation, development in Burma is virtually inconceivable; all we are offering is absolutely basic aid. When I say that development is inconceivable, I mean that it is inconceivable as long as the country is under the thumb of a brutal military dictatorship that holds normal human values in contempt and cares nothing for the people of Burma, still less for the ethnic minorities in the country. Some of those who participated in the recent protests—since the Committee visited the area—have said that they are now so poor and so repressed that it is worth dying to change things, because life offers so little. A question hangs in the air: is change likely as long as the junta is in power? Is there any prospect of change from within? I say to the Minister that—obviously, in co-operation with the Foreign Office—every effort must be intensified to bring that brutal regime to an end.

The tragedy for Burma is that it is rich in natural resources and has a potential for development that other countries would give their eye teeth for. However, the country's resources are being exploited by the

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dictatorship simply to sustain itself in power, rather than to provide anything for the people in terms of economic, health or education benefits, or any of the normal perquisites of civilisation. The country is being developed with no regard whatever for the people.

We must also consider Burma's neighbours. Clearly, the military regime is sustained by the fact that Burma can find customers for its resources abroad. It is therefore worth asking what China, India and Russia especially are doing. Will the Minister say what protests have been lodged against Russia's plans to build a nuclear power station for the regime? The Government are worried about Iran, but I hear no protests about the fact that Russia wants to build a nuclear power station in Burma. How can India hold its head up as a democracy—the largest democracy in the world—and as a member of the Commonwealth while continuing to provide arms for the regime? What protests have the Government lodged and what engagement have they had with the Indian Government on the matter?

Finally, and perhaps most important, what discussions are the Government holding with China? Of the three countries I have mentioned, China is the one with which some degree of co-operation and understanding might be the most productive. Clearly, the Chinese want assets—oil, gas, electricity and water—for eastern China, and nobody can blame them for wishing to secure them from a close source. However, China also needs security of supply, so it must consider whether a military regime whose people are suffering and who are beginning to protest provides a secure basis for future supply, or whether it ought to apply pressure to ensure that the regime delivers some democracy, freedom and services for the people, to create a stability that will in turn provide future security for China's investment in Burma. What talks are being held with China to that effect?

The Committee believes that there is scope for a significant increase in DFID's in-country aid to Burma. We welcome the Government response, but we want them to go further. They must ensure that money goes to all the appropriate resources, whether in-country or out of country, where they can be reached and be effective. There must be no continuation of a debate that says we can do one thing and not another. As the hon. Member for Birmingham, Northfield (Richard Burden) said, we need to co-ordinate with other agencies to ensure that whatever we do is done most effectively and reaches the maximum number of people, and we should pile pressure on the junta to accept its responsibilities to the people whom it subjugates and represses.

In conclusion, recent events suggest that if we cannot prise the generals' fingers off the levers of power in Burma, the 60 years of suffering might end in a bloody and awful denouement. In the meantime, we must do everything in our power to relieve the suffering of the Burmese people and to bring an end to a brutal and repressive regime.

2.54 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I welcome the debate, as it gives us an opportunity to discuss the report specifically and to highlight the desperate situation faced by the people of Burma that the right hon. Member for Gordon (Malcolm Bruce) so eloquently described. It also allows us to remind the world that Burma is not forgotten here in the Houses of Parliament, or by many of our constituents, who express concern about events in that country.

I shall talk about a link between my constituency and Burma that I believe deserves wider publicity and from which some wider lessons could be drawn. Forthview primary school in my constituency has set up a partnership link with Hle Bee school in Mae Sot province in Thailand, whose pupils are drawn from Burmese refugees living in Thailand near the border with Burma. The partnership link is supported by DFID's global schools partnership programme. It is a good example of how that programme provides a successful educational experience for pupils and students in the UK, who gain a wider awareness of other countries—in this case, the desperate situation faced by Burmese refugees in Thailand.

Because it involves a school in my constituency, I have taken a close interest in the link. If the Minister wants to see a good example of one of his partnership links in operation, I would welcome him to my constituency to have a look at the programme. Earlier this year, the head teacher of Forthview, Sheila Laing, who provides inspirational leadership for the project, visited Hle Bee on the Thai-Burma border. In October, Dr. Thein Lwin, a leading educationalist involved with refugees in Chiang Mai province, visited Forthview and spent a productive week in the school working with pupils, taking part in classes and other activities, and working in the wider community beyond the specific remit of the global schools partnership programme. That successfully highlighted the plight of the Burmese people to the pupils of Forthview and the wider community. The pupils have, on their own initiative, been selling orange ribbons to raise funds for their partner school in Thailand for the Burmese refugees, and they have raised considerable amounts in that way.

I wanted to put that example on the record and to bring it to the attention of a wider audience. It is an excellent link, thanks to the work of the pupils, students and staff, and it highlights what can be done under the global schools partnership programme. Certainly, I hope that the Department will be able to continue to support the link in future years.

The link with the school on the Thai-Burma border has been made possible also by the support provided and work done by the Burma Educational Scholarship Trust. The trust is an Edinburgh-based charity that seeks to improve access to quality tertiary education for students and learners from Burma, both those living in exile in the UK and other countries and those living on the Thai-Burma border. The charity has educational policy practice links through the teacher training for Burmese teachers programme and the migrant workers learning centre programmes in Chiang Mai, and it has supported the schools link in my constituency. The trust wants to extend its work with schools and with the secondary and tertiary sectors in the UK, and it has just successfully developed a partnership with Newbattle Abbey college near Edinburgh, where two refugee students so far have benefited from a residential access course.

That is an example of the many ways in which we can support the people of Burma on the Thai-Burma border and here in the UK. It is the kind of work that I hope a

flexible approach to DFID funding will continue to support, both in the UK and on the Thai-Burma border.

John Battle: My hon. Friend and others may recall that in the 1970s, when there was a military dictatorship in Chile, the Labour Government of the day made arrangements that when people came to Britain as refugees, they were made welcome and allowed to stay. I am sure that he must have experienced, as I and others have, that when Burmese refugees arrive in Britain, they often do not have paperwork that specifies their origins, their date of birth and so on. Would it not be better if we had support not only from DFID but from the Foreign Office to ensure that refugees from Burma are made welcome in Britain so that we can work with them?

Mark Lazarowicz: My right hon. Friend makes a very important point. That is precisely the sort of comment that was made to me by the people involved in the Burma Educational Scholarship Trust in Edinburgh, who talked about the difficulties often faced by Burmese refugees here in the UK.

I have highlighted the work done by the organisations and links in my own constituency. It is the sort of work that should be encouraged and replicated elsewhere in the UK. Obviously, the Minister cannot give any off-the-cuff commitments to support particular projects today, but I hope that he will look favourably on the work being done by those organisations. If he cares to visit my constituency to see some of this work in practice, I will be very happy to make the necessary arrangements.

3.1 pm

John Bercow (Buckingham) (Con): It is a pleasure and privilege to follow the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz). I welcome the debate and support the conclusions of the report undertaken by the Committee, of which I am proud to be a member.

I congratulate the right hon. Member for Gordon (Malcolm Bruce) on his presentation of our findings. Moreover, I thank all those who made our visit a seamless success. A terrific Committee operation was undertaken before, during and after our visit, and that contributed to the success of the work.

Let me start by laying out the context for this debate. The egregious abuse of human rights of the long-suffering people of Burma has become ever more widely known, not least since the truly despicable catalogue of events in September. In contrast, the incidence and depth of the poverty of the people of Burma are relatively less familiar to people in this country and around the world. Yet there is, of course, a crucial link between the abuse and the prolongation and exacerbation of poverty. It is that set of phenomena—extreme disregard for human rights on the one hand and truly breathtaking poverty and destitution on the other—that offers the backdrop to the decision to launch the inquiry in the first place, and to the work undertaken on and the findings produced by our report.

Let me focus on those two phenomena. Rape as a weapon of war, extra-judicial killings, compulsory relocation, forced labour, the use of child soldiers on a scale proportionately greater than in any other country of the world, the use of human minesweepers, religious persecution, the incarceration in conditions of quite unspeakable bestiality of thousands of political prisoners, excruciating water torture and the wanton destruction of more than 3,000 villages across eastern Burma over the past decade and more are all part of the institutionalised savagery that has caused the military junta of Burma to stink in the nostrils of decent people across the globe. Yet how many people appreciate the extent of the poverty, which is endemic and pervasive in Burma, from which millions of people suffer? I suggest that there is still a considerable ignorance of its extent.

Let us remind ourselves and inform others for the first time of the scale of the problem with which we, as policy makers or attempted influencers of policy, have to contend. A third of the people of Burma exist—I will not use the inappropriate word "live"—on less than a third of a dollar a day. Half of all children in Burma do not manage to get through, and therefore benefit from, five years in school. One in 10 of the children of Burma dies before they reach the age of five. Since 1990, 80,000 women and children have been trafficked from Burma to Thailand, as documented and testified to by the International Labour Organisation and the International Programme on the Elimination of Child Labour.

On top of that, 340,000 people in Burma are living with AIDS. That is the scale of the crisis that faces us. I put it to hon. Members that it is no disgrace, but it is something of a regret on my part, that because of the very proper focus on and preoccupation with sub-Saharan Africa, of which this Committee, the Government and the House can be proud, there is a tendency sometimes to disregard, to underplay or simply to remain ignorant of the fact of the simultaneous co-existence of peoples in other countries outside sub-Saharan Africa who endure poverty on a comparable scale.

It is a matter of historical fact that Burma has suffered from a disproportionately low aid budget over decades under British Governments of both colours—I am not for one moment making a partisan political observation. When both Conservative and Labour Governments have been in power, the problem has been grotesquely under-recognised. For example, Burma receives an aid budget that is approximately a quarter of that afforded to Zimbabwe. That budget does not remotely compare with that of its neighbours, which provide suitable comparisons, such as Laos, Vietnam and Cambodia. An aid budget, until amended and uplifted, of $2.40 per person per year is frankly an insult to the suffering of the people of that beautiful but beleaguered country.

On the aid budget, I want to say at the outset that I am in a positive spirit. It is proper to appreciate progress, and I pay tribute to the Government for announcing the doubling of the aid budget. Unquestioningly and without hesitation, I say that that announcement on 29 October was an extremely welcome move, and the Secretary of State for International Development is certainly entitled to claim credit for it, but I cavil somewhat at the choreography of events in recent times. The right hon. Member for Gordon made an extremely pertinent point: it is not immediately apparent to me why it was necessary to issue a relatively downbeat governmental response that gave the impression of cocking a snook at the Committee and having a less than full respect for our work or findings, and then, only a matter of days later, to make this announcement for all the world as though

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it were something that the double-first brains of the Department for International Development had, entirely of their own initiative, devised. However, I do not want to dwell on the point any longer. Suffice it to say that the Committee approves of what the Government have done. If the Government accept the logic of the doubling and that leads to a quadrupling, at which possibility the Under-Secretary of State for International Development, the hon. Member for Dewsbury (Mr. Malik) himself hinted during the course of DFID questions yesterday, we would have good reason to offer not two but three cheers.

John Battle: The Committee is grateful to the hon. Gentleman for championing Burma and ensuring that we compiled a report. We thank him for that and for the pressure that he applied. However, I am sure that he agrees with me that there is always a dilemma. It is easy to say "give aid", and for the Government to give aid. However, when a country moves to dictatorship, we then meet campaigns saying "withdraw the aid". The real difficulty is ensuring that that aid reaches the people who need it. It is not always possible to go through Governments or even to get NGOs in, so we might have to look internationally, collectively and much more imaginatively at how we support the poor in Burma, rather than simply saying that Government programmes will do that, because they cannot.

John Bercow: The right hon. Gentleman has made a perfectly valid point. If we are to double the current budget by 2010 and to hold out the reasonable prospect of quadrupling it by 2013, which is what the Select Committee recommended and what Her Majesty's Conservative Opposition are committed to delivering, it is right that there be much more transparency, concern about accountability and satisfaction in our own minds that mechanisms exist to ensure the effective, efficient and cost-efficient delivery of aid that is, after all, available only courtesy of the British taxpayer. I therefore accept what the right hon. Gentleman has said on that front.

I want now to focus on three points of particular interest in a report that deserves commendation. First, one hot issue of debate in the Committee and between different witnesses was whether there should be an increased focus on delivering cross-border aid. I make no secret of the fact that I have long been a partisan of the view that there is great scope for increasing cross-border aid and that it would be quite wrong for Britain unilaterally to depart the scene on the frankly unsatisfactory ground that other countries were delivering cross-border aid and that it was therefore not necessary for us to do so. Given our strength in the area, the importance that we attach to the issue and the pronouncements that have been made about Burma in recent months by the Prime Minister and the Foreign Secretary, not to mention by the Secretary of State for International Development, it would be absurd if we simply abdicated responsibility and said, "Well, others can do something."

We should increase resources to the Thailand Burma Border Consortium, but we should also recognise that other organisations are involved in delivering cross-border assistance. When we listened to the witnesses, there was a strong current of opinion to the effect that much more could be done, if more resources were provided. That is particularly true of the delivery of health services and immediate medical relief, but it would also assist education and the provision of materials and, in some cases, teachers.

Cross-border assistance should therefore be a priority in the period ahead, and I was disappointed that the Government response suggested no real sense of urgency on the part of Ministers and did not even contain a clear declaration of intent to increase cross-border aid. Instead, the Government took refuge in the argument that a UN OCHA assessment was being done, pending the completion of which it would not be appropriate to commit further.

Ann McKechin *rose—*

John Bercow: That line of argument is not satisfactory, but before I explain why, I will give way to the hon. Lady.

Ann McKechin: I thank the hon. Gentleman. It is vital that one central body co-ordinates aid in Burma and cross-border work. It is also vital that the UN is the primary body involved in organising and carrying out the mapping exercise, given that some donors, such as the United States of America, which is a major donor, do not operate in Burma and that only a few donors, including the UK, operate within the country's borders. I fully accept that the UN needs to get its act together quickly and that all sides in the international community should be putting the maximum pressure on the UN to ensure that the mapping exercise is carried out without delay, so that we can all make proper, efficient decisions about what to do with our donor money.

John Bercow: I may be mistaken, and time will tell, but I have a feeling that the hon. Lady will not have to wait long. My expectation is that the results of the mapping exercise will be forthcoming very soon. A little bird tells me that the work has been undertaken, although, even then, I confess to a tinge of disappointment. My expectation was that the mapping exercise would be country-wide and that those undertaking it would take an overall, holistic view of the delivery of cross-border aid, including the requirement for it, the capacity to deliver it and the efficacy with which it could be delivered, perhaps by using a comparison of the other mechanisms that might be available. My impression so far is that it has been not a full piece of work, but a relatively partial one, and I am not certain whether it will consider the issue for all the borders, which would be a great pity. The Committee's report was, of course, on DFID assistance to Burmese internally displaced people and refugees on the Thai-Burma border, but the lessons that we drew from what we learned are potentially of wider application to people living on, or in close proximity to, other borders with Burma and not just the Thailand-Burma border.

I am therefore a bit worried about the issue of cross-border aid. The Government have been hesitant and neurotic about it, and there has been a ready supply of excuses for inaction and inertia. The Government have

tended to say that they have a comparative advantage, deploying what one might almost consider an economist's justification for their policy priority, which is not validated by a study of the facts on the ground. Moreover, there has been an inclination in Government circles—this might be in the ether or reflect a characteristic of some officials, rather than a conscious decision by Ministers—to play down the number of people who could potentially benefit from the delivery of cross-border aid. There has been a move to say, "Well, of course, there are only about 100,000 people—that's only about nought point whatever per cent. of the population of Burma." That has given the impression that some people want to rubbish the notion of cross-border aid, which would be a thoroughly misguided position to take. The truth of the matter is that some people are in extreme poverty and their security is at grave risk, and they can be reached only by the mechanism of cross-border aid—in-country assistance will avail them nothing. That is the first point. If the priority is to help most of those who have least, which should presumably be a defining characteristic of DFID's responsibility, we should focus on such people irrespective of their numbers.

There is a tendency to think that we are talking simply about internally displaced people, but a substantial number of people in Burma are not internally displaced; they live in their original, perhaps long-term homes, but they are on the edge—they have absolutely nothing, which, as the right hon. Member for Gordon said earlier, is characteristic of many people in Burma. Such people cannot eat, cannot drink, cannot access health care and cannot get to school—by whatever yardstick we choose to measure poverty, we would have to say that they are genuinely destitute. I therefore hope that we will help them and that there will be an announcement soon.

If the UN OCHA report does not cover the whole of Burma, I hope that the Government will not for one moment consider arguing that further studies at multilateral or other levels, conducted over several months or even years, are required before a policy decision can be made to extend the principle behind the delivery of cross-border aid over the Thai-Burmese border to other borders. There is a pressing need for cross-border assistance over the India border into Chin state, and the hon. Member for North-West Leicestershire (David Taylor), who is no longer in his seat, rightly referred to the privations of the people in that state, and he was right to highlight that phenomenon.

I went to the India-Burma border with Christian Solidarity Worldwide in the company, notably, of Baroness Cox of Queensbury and the Asia advocacy officer for CSW, Ben Rogers, from 14 to 21 September. Hon. Members should be in no doubt about the extent of the difficulties faced by people in, or fleeing from, Chin state. Some estimates are that 70 per cent. of the population live below the poverty line. Thousands of people have fled Chin state and are now living in Mizoram in north-eastern India and a good many have gone elsewhere. Those who continue to reside—not in anything approximating to safety—in Chin state, definitely need assistance. Given that, just as there is capacity to deliver aid across the border from Thailand, there is capacity across the border in India, I hope that we can do that work. There are backpack health worker teams, which are to be congratulated on their work.

I remind the Under-Secretary that a relatively modest expenditure gives a terrifically effective bang for your buck. Expenditure of, I think, $1,254, provides for an estimated 2,000 people living as internally displaced persons or in similar circumstances in Chin state for six months. It is possible to spend a little and to gain a lot, and the consequences are immediate: the relief of poverty, the saving of lives, providing access to food, ensuring proper health care and facilitating the provision of education to children in Chin state who would not otherwise receive it. I hope that the Under-Secretary takes that message.

It would, I should add, complete the symmetry if the Government were to commit on the India-Burma border. The Secretary of State for International Development wrote to me in October and referred to an intention to provide, over a period of four years, £1.35 million for cross-border health programmes on the China-Burma border. I was previously unaware of that, and if the Government are determined to go ahead with it, that is extremely welcome. However, if they can do it over the China-Burma border, they can certainly do it over the India-Burma border. I had no doubts, in matters of efficiency and transparency, about the organisations and individuals who would be charged with that responsibility there.

There is the related issue of support for exiled democracy groups. The Government, in their reply to the Select Committee report, said that they were prepared to entertain applications for funding, subject to the caveat that organisations seeking funds for undertaking pro-democracy work, delivering advocacy services and seeking to cultivate strength in civil society must bear it in mind that they must meet the criterion of poverty reduction. Apart from anything else, that is a legal requirement under the International Development Act 2002. I understand that, but it is up to the Government to take a broad view. DFID funds civil society programmes in a plethora of developing countries, including least-developed countries, around the world. It is not always easy to prove an absolutely axiomatic, precise or mechanistic link between the provision of funds to an organisation that campaigns for human rights, on the one hand, and the immediate, visible relief of poverty, on the other. It is one of those contexts in which we must deploy a degree of common sense.

Organisations that document, publicise and campaign against the pervasiveness of rape in Burma, battling, as they are, under huge pressure and on a shoestring for greater assistance from individual Governments and at multilateral level, are contributing to poverty reduction. Of course, individual applications must be considered on their merits, and organisations must be prepared to fill in forms properly, to demonstrate transparency, to prove accountability and to behave efficiently. Their integrity must be beyond suspicion. However, there are many candidates that could benefit. I refer, of course, to the Shan Women's Action Network, and the truly magnificent and redoubtable Charm Tong, who is an inspiration to anyone who meets her.

The Shan Women's Action Network has previously been greeted with indifference and, I am sorry to say, even froideur, by officials—I emphasise that that was the response of some officials at DFID, and it must change in future. I am extremely heartened by the

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attitude of the Secretary of State and the Under-Secretary. I ask that if the organisation submits an application, that application should be considered, because it is a brilliant organisation that is trying to help suffering women. It has a superb track record, but its members have felt so utterly discombobulated by DFID officials—or rather, they thought that the officials were so discombobulated in relation to them—that they thought it not worth the effort, as a hard-pressed group, to put in an application, having been told privately, "Frankly, you haven't got a chance." That situation is not satisfactory, and it is time for reform.

As well as that organisation, there is the Karen Women's Organisation, and the Women's League of Chinland, whose members I was privileged to meet on my visit to the India-Burma border in September. Another is the Assistance Association for Political Prisoners, which does fantastic work. Would we know so much about the nature of the abuse of prisoners in Burma, if not for that organisation? It is people linked to that group who informed me about what I regard as probably one of the most horrific individual stories that I have heard about a prisoner in Burma. This person was in Insein prison and was so desperately malnourished, so ravaged and inadequate as a consequence of his treatment, and so painfully thin, that the investigator who went to look at conditions in the prison was reported subsequently as saying publicly that he could see the man's intestines moving like worms. Such information does not get into the public domain unless conscientious individuals are prepared, sometimes at some risk to themselves, and from time to time under cover, to do the work and to report their findings. Such organisations deserve public finance.

Finally, I welcome the fact that the Prime Minister wrote on 16 October to the Secretary-General of the United Nations and held out the possibility of an international or multilateral economic package that could potentially be made available to Burma, if, and only if, there was demonstrable evidence of a commitment to immediate change. Quite how one would develop such a package is a matter for debate. I should have thought that it could indeed include provision for debt relief, trade facilitation and re-entry to the international economic system. It might possibly include funds to contribute to preparation for elections, and to the development as necessary of the activities of political parties and civil society organisations. All those matters can be discussed in due course.

The money should not be given prematurely, which would be disastrous, but equally it should not wait too long. There is a fine judgment to be made as to how to put together a suitable and flexible package, properly calibrated, which would have the desired effect of pushing a country teetering on the brink of a genuine commitment decisively to change in that direction. The fact that the Prime Minister, the Foreign Secretary and the Secretary of State for International Development are talking in those terms is very welcome.

Our report is good; the Government response was a bit disappointing. Government utterances since have been very encouraging. I want to say in the politest possible way to the Under-Secretary, who has signed robust motions on Burma in the past, not least at my request when he was a Back Bencher, that I wish him well in the execution of his responsibilities. I do not want to sound menacing, but merely to be a candid friend, when I say to the Under-Secretary, who is a rising star in the Brownite firmament, that the International Development Committee will continue to be on his case.

3.29 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): It is a great honour to follow the hon. Member for Buckingham (John Bercow)—even though I fear that I may suffer by comparison. I am very grateful for the opportunity to debate the International Development Committee's thorough report, which is entitled "DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai-Burma Border". I congratulate the Committee on the report and on producing such an illuminating analysis of the plight of the hundreds of thousands of people displaced by the continued turmoil in Burma. Importantly, the report affords us this opportunity to scrutinise the British Government's efforts in dealing with this sadly ongoing humanitarian crisis.

The clearest message that I took from the report was about funding. As with many development issues, before we can start talking about how aid is to be used, the fundamental question is how much have we got. It is clear that Burma and its refugees have previously not received their fair share of aid. Although the cause of the historical underfunding is clear—a hostile and brutal regime, coupled with a complete lack of infrastructure—it must be acknowledged that British aid to Burma has not kept in line with that to comparable impoverished nations.

Surely, a guiding principle for the criteria for deciding where aid should go is where it is most needed. I therefore welcome very much the Secretary of State for International Development's October announcement that UK aid to Burma will double to £18 million by 2010. I hope that that heralds a new era of increases, as part of the Government's approach to helping Burma and the displaced people, but I cannot help wondering how much quicker the IDC's recommended funding level might have been reached if the Government had honoured their 2004 spending review commitment to spend £1.5 billion more in terms of gross national income in this financial year.

The increase represents an exponential curve of growth from the low level of recent history, but it throws up some challenges in its wake, because DFID's response to the IDC report states that

"senior civil service oversight of the Burma programme has been moved to London, closer to Ministers and parliamentarians".

Although I am flattered by DFID's faith in hon. Members, I am acutely aware that DFID budgets are experiencing huge and welcome increases, but with limited increases in staff capacity locally and static staff numbers in the UK to manage such increases. Civil servants are the front line in delivering the will of Her Majesty's Government, and ultimately taxpayers' interests are supervised by them. In this case, that must mean ensuring that Burmese refugee programmes are implemented to maximum effect, with every penny used to bring the utmost reward for the people of Burma.

I am therefore eager to hear from the Under-Secretary about the capacity of DFID and the civil service to oversee the delivery of the promised increase. I support my right hon. Friend the Member for Gordon (Malcolm Bruce) and the Committee in expressing dismay in the report at the decision to close the Bangkok office, which is clearly of significance in the region. I ask the Government to reconsider that decision in the light of the report and the obvious support for it on both sides of the Chamber.

Debt relief obviously has a huge role to play in changing the trajectory of a country's development, but I totally agree with the IDC's support for the British Government's reluctance to let any aid fall into the hands of the Burmese military junta. It is reasonable to suppose that most of the debt is held by the Burmese Government, so I would be grateful for assurances that debt relief will in no way serve the regime.

The meat of the report and, indeed, this debate is how we can best help the internally displaced people of Burma. I shall highlight several key themes. As the report emphasises, a key to the success of Burmese programmes, if we are to move beyond an emergency and reactive response, is to target greater resources at community-based organisations. That is an effective mechanism to bypass the regime, but more than that, it is surely our greatest hope of laying the building blocks for a different Burma. I wholeheartedly back the Committee's recommendations for capacity building and training for community-based organisations. I am pleased that, in its response to the report, DFID said that it would make new efforts in that direction; that is to be welcomed.

None the less, when it comes to the thorny issue of cross-border assistance, DFID seems stuck between a rock and a hard place. The people who can be reached through cross-border assistance are clearly those most in need. Therefore, it is understandable how the imperative of need led to the DFID policy change in March this year. However, I was bemused by the comparative advantage discussion that arose from the report. I am no economist, but my basic understanding of the principle of comparative advantage leads me to believe that it is always a seminal issue in evaluating the provision of aid. One DFID employee on a UK wage is equivalent to a significant number of locally employed workers. The heart of the matter is the overall outcome and whether that is greater than its component parts. Surely, that is how comparative advantage should be evaluated. The bottom line must be strongly outcome-focused. I hope that DFID will endeavour to keep that very much in its focus.

As ever, I am strongly of the belief that development issues cannot be considered in a silo. When we consider the plight of the hundreds of thousands of people displaced by more than a quarter of a century of turmoil in Burma, we must consider what the British Government as a whole are doing to end or to address the situation. Obviously, an embargo is in place, which sends an absolutely clear message from the international community. The embargo also offers a practical solution in preventing the regime from obtaining the means of carrying out its reign of terror.

I have no doubt about the British Government's sincerity in their support of the embargo, but I was horrified to learn earlier this year—I raised this issue in International Development questions yesterday—that Amnesty International and Saferworld's report suggested that, in spite of the European Union arms embargo on Burma, helicopters with British-manufactured components were being re-exported to Burma from a third country. The Under-Secretary indicated yesterday that India might be in the frame as a third country. I wish for assurances about what British companies are doing in that regard, because it is a bizarre if not grotesque situation in which taxes from UK arms manufacturers are being spent by DFID in helping people to flee from a regime armed by those same manufacturers. May I suggest that we end that hellish circle and make it absolutely impossible for British manufacturers to sell any arms through a third country to Burma? I hope that the Under-Secretary will commit to that today.

John Battle: Is the hon. Lady suggesting that the British Government are selling arms to Burma, or is she objecting to the fact that parts, including engineering parts such as wheels and brackets, are sold to companies abroad and that those parts are then used in military equipment sold by other countries to Burma? Will she clarify whether she is asking for the sale of all parts to any company anywhere in the world to be banned? I am not clear about what she is suggesting. She was implying that the British Government were selling arms, and I did not think that that was quite true.

Lynne Featherstone: No, that was not the intention behind what I said; the intention was to talk about the components of arms.

To conclude, we cannot take our eye off the ultimate goal—the end of the brutal regime in Burma. Aid is a means to an end, not an end in itself. The greatest achievement that we could hope for, which I urge the Government to pursue relentlessly, is a democratically elected Government in Burma with whom we could constructively engage one day. Only then can we really hope that the hundreds of thousands of families who have been displaced may be able to return to their homes and start to rebuild their lives in safety and security.

3.38 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I start by conveying to hon. Members the apologies of the shadow International Development Minister, my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster), who is spending a week with President Donald Kaberuka in the African Development Bank in Tunis. He is having a look at the workings of the bank and the significant steps forward that it has taken under Donald Kaberuka's leadership.

I pay tribute to the Select Committee on International Development under the leadership of the right hon. Member for Gordon (Malcolm Bruce). We are discussing the Committee's 10th report of the 2006-07 Session. It is an extremely good read, as all hon. Members have said. It is very well written and cogently argued and it explains in part why the International Development Committee, under the right hon. Gentleman's leadership, is one of the most respected Select Committees of this House and is widely respected outside this place as well.

The right hon. Gentleman chided the Government a little for not crediting the Committee's report in subsequent announcements—a point reiterated and embellished by

[Mr. Andrew Mitchell]

my hon. Friend the Member for Buckingham (John Bercow). I agree with that point, but this has been a consensual and constructive debate. All of us try in our own way to help that beautiful but benighted country, about which much more is known now than six months ago.

I shall not prolong this debate, as many of the important points have already been made, but I shall reiterate what my hon. Friend the Member for Buckingham described as the relevant context of this debate and say a few words about some specific aspects of the Committee's report, which I support.

The context is, of course, the extraordinary scenes of bravery on the streets of Rangoon earlier this year. I emphasise that those scenes were born of the extremes of poverty that exist today in Burma and have been described by other Members. Those extremes are of an order seen almost nowhere else. In the scenes that we saw on television, I noted two things. The first was that the sort of people demonstrating on the streets were not the students that we have seen before; many of them were middle-aged women who were fighting to feed their families and maintain their homes and who are desperate as a result of the state of affairs in Burma. The other was that much had changed since 1988, because of advances in information technology and some of the beneficial effects of globalisation. In 1988, it took months before we knew that thousands had perished in a massacre perpetrated by the junta. This year, we could see in real time on our television screens exactly what was happening, and the world could form an accurate judgment. Indeed, we saw a Japanese photographer executed by the regime before our eyes.

I pay tribute to Mark Canning, the outstanding British ambassador in Rangoon, to the Department for International Development staff who are doing an excellent job there, and to Charles Petrie, the UN co-ordinator in Burma, who had to leave earlier this week. He has done a very good job, and he so irritated the regime that he was declared persona non grata.

Malcolm Bruce: I am glad that the hon. Gentleman mentioned that. Does he share my concern that it indicates the difficulties that may be encountered in delivering aid effectively if people who make any kind of association between the regime and the suffering of the people are immediately expelled? I hope that the Under-Secretary will tell us how the British Government intend to ensure that the aid promised is delivered effectively in spite of that situation.

Mr. Mitchell: The right hon. Gentleman makes an extremely good point, and I am sure that the Under-Secretary will want to comment on it. I had the opportunity to speak to Charles Petrie this morning. Now that he has gone, it is clear that the UN policy under which he was working—I shall say more about the UN in a moment—is absolutely the right policy and will continue regardless of what the regime does to UN representatives based in Burma.

It is interesting that on Monday, the regime called together a group of ambassadors and agencies working in Burma. It was assumed that they would be talking about the constitution and any developments in that respect, or about the alleviation of poverty, but not a bit of it. The regime continued to try to explain that all the difficulties of the summer were caused by outsiders agitating about what was going on in Burma, rather than those inside. That is completely wrong, but it suggests that the regime might be split, that there is a difference of opinion within the junta, and that it was talking at least as much to its own people as to anyone else. Perhaps it shows that although the position appears to be hardening and moving away from what we had hoped for during the summer, it is nevertheless complex and there are signs that it may be changing for the better.

The regime is incomparably lucky to have Aung San Suu Kyi. In the situation preoccupying many of us in Darfur, it is difficult to find someone with whom to negotiate who encapsulates the opposition to and dissent against the Government. In Burma, it is encapsulated in one person who has colossal international and national credibility and who, if only she gets the chance, will deliver the right solution for Burma, which is to move the military and politicians, over time, to their correct positions in society. I hope that the ASEAN, UN and EU nations' single focus on releasing Aung San Suu Kyi and the other political prisoners in Burma will continue.

The position of China and India has been mentioned. I have talked to the Chinese ambassador in London about Burma. China has been a force for good in at least some aspects of the situation. We must strongly encourage the Chinese to exercise their influence over the regime—behind closed doors perhaps, although preferably not—to support the UN initiatives in every way that they can. I echo the Committee's comments about India, the largest democracy in the world. India could do more, and the Committee is absolutely right to emphasise the importance of maintaining pressure on India through its many friends around the world, in the Commonwealth and elsewhere, to do a little more to help.

John Bercow: Is my hon. Friend as horrified as I am by the Government of India's regular self-defence, when challenged on the matter, that it is a cardinal principle of their foreign policy not to interfere in the internal affairs of other states? Does he agree that it is about time that the Government of India became aware of and showed some respect for the UN proclamation on the responsibility to protect?

Mr. Mitchell: My hon. Friend expresses himself in his inimitable way, and many people will share his sentiments. It is extremely important that India's many friends, speaking to India in a spirit of friendship, make those points. I underline that India is the largest democracy in the world. It is a beacon to so many states; it should be a beacon to the oppressed in Burma as well.

The point has been made today and in other forums in Britain about the centrality of the United Nations. We must work through the UN. Professor Gambari has made four visits to Burma. That sort of effort is the construct that we should follow. The Opposition have called for the Secretary-General, Ban Ki-Moon, to go to Burma himself to increase the intensity of that focus, and I hope that he will do so soon.

A statement issued by ASEAN earlier this autumn said that ASEAN Foreign Ministers were

"appalled to receive reports of automatic weapons being used and demanded that the Myanmar government immediately desist from the use of violence against demonstrators. They expressed their revulsion to Myanmar Foreign Minister Nyan Win over reports that the demonstrations in Myanmar are being suppressed by violent force and that there has been a number of fatalities. They strongly urged Myanmar to exercise utmost restraint and seek a political solution. They called upon Myanmar to resume its efforts at national reconciliation with all parties concerned, and work towards a peaceful transition to democracy. The Ministers called for the release of all political detainees including Daw Aung San Suu Kyi."

We need to see more of that sort of statement lined up behind the UN. However, I was disappointed that the ASEAN chairman's statement on Myanmar later somewhat resiled from direct involvement. It is enormously important that everyone should line up behind the UN, to ensure that what little progress as has been made continues and is intensified.

Earlier this year, I visited Rangoon and travelled across the Thai-Burmese border to a camp for internally displaced people in the Karen state. I saw for myself some of the excellent work that is funded by the British taxpayer in Rangoon. I also saw the desperate position of the internally displaced people, which has been referred to today, and the potential opportunities to provide assistance to such people. They are living in dire conditions, which the Committee has identified, and I particularly welcome those parts of the report that address that problem.

I welcome the announcement by the Secretary of State on 29 October that the Department will double its budget for aid to Burma by 2010 from £9 million to £18 million. Although that does not go as far as the Committee recommended, it is a good start. As the Under-Secretary knows, I am hoping that he will announce as swiftly as possible that he intends to quadruple that figure by 2013, as the Conservative party and the Committee have urged him to do.

It is worth comparing funding for Burma with that for other countries in the region, and countries with similarly dire human rights problems and humanitarian crises, to support the call for a further increase in British aid to Burma. I shall add to what has already been said today.

Vietnam, a country that is making enormous strides out of poverty, receives £52 million from Britain. As I mentioned to the Minister in the House yesterday, China had a trade surplus in September of $24 billion, yet it will receive £35 million this year. Zimbabwe, a country mentioned by my hon. Friend the Member for Buckingham, has a human rights and humanitarian situation comparable to that of Burma, but it receives four times as much aid. The Committee noted:

"It is our strong belief that overall aid levels to Burma need to be significantly boosted. Burma is one of the world's least aided countries, receiving just US$2.40 of aid per head in 2004. This is by far the lowest per capita aid level amongst the UN's list of Least Developed Countries. Neighbouring countries close to Burma on the UN's Human Development Index receive 15-20 times as much in aid per head: Cambodia receives US$35 per head and Laos US$46.50. If Burmese people were to get as much aid per head as people in Africa, DFID's Burma budget would have to increase from the current level of £8.8 million in 2007-08 to £80 million."

The Committee is absolutely right. The case for quadrupling British aid to Burma by 2013 is extremely strong, and I hope that the Government's decision to double the budget is but a foretaste—if I may put it in such consensual terms—of good news to come.

Mention has been made of support for the 3D fund. When in Rangoon, I went to see for myself the work being done to combat AIDS. British taxpayers' money is being incredibly well spent in that respect. AIDS is teetering at just below epidemic levels. It is at epidemic levels among the sex worker and gay communities, but if action is taken now through such support, it may be possible to stop it reaching epidemic proportions.

The right hon. Member for Leeds, West (John Battle) and my hon. Friend the Member for Buckingham both spoke about satisfying ourselves on the importance of delivery mechanisms. Surely they are right, but we have to ensure that vulnerable people caught in those difficult countries do not lose out twice over—first from bad leaders, and secondly because the international community has turned its back on them.

John Battle: The 3D issue highlights the dilemmas spelled out by our Committee Chairman. The hon. Gentleman will know that much of that work is done in co-operation with the Government, to reach those parts of the country where we are not allowed to go. It is a difficult dilemma. I put it to the hon. Gentleman—and perhaps through the hon. Gentleman to my hon. Friend the Under-Secretary—that the rest of the international community might like to join us in applying real pressure, because if that epidemic breaks across into the camps and the borders, India and China will be at risk. They ought to wake up to that fact.

Mr. Mitchell: The right hon. Gentleman is right about the threat of an epidemic and the effect that it could have across borders. I shall say more about that in a moment. However, I agree that we must ensure that the message is delivered effectively. The projects that I saw did not depend upon the Government, except for their passive acquiescence in the work continuing; they were being carried out extremely effectively by the voluntary sector and international NGOs.

I turn to two other specific recommendations of the Committee with which the Secretary of State has yet to express his agreement in unambiguous terms. The first is a matter on which the Conservative Opposition have been pressing since May 2006—funding for cross-border initiatives to deliver the urgently needed humanitarian aid that has already been mentioned. Although we welcome the decision by DFID to lift the restriction on the use of funds, enabling DFID money to be used for cross-border aid by recipients, it is largely a symbolic gesture. No new funding has yet been allocated for cross-border aid. I hope that the Under-Secretary will offer the House some good news on that score.

According to the Thailand Burma Border Consortium, in 2007 at least 503,000 people were living in eastern Burma as displaced persons, but some sources put the figure as high as 1 million. More than 3,200 villages have been destroyed or forcibly relocated since 1996. In the past year alone, more than 76,000 people have been forced to flee their villages, and over 82,000 were displaced during the previous year.

[Mr. Andrew Mitchell]

I visited some of those displaced people when I went to the Thai-Burmese border earlier this year. I travelled down the Salween river to Ei Tu Hta camp inside Karen state, where 3,000 people have fled since April 2006. Those people have suffered unimaginable horrors. I met one woman who told me how her son was beheaded. Another described how her husband was tortured, tied to a tree, his eyes gouged out and then drowned. A third recalled how her husband was killed—his eyes torn out, his ears and lips cut off.

The right hon. Member for Leeds, West has described his experiences in that respect. I can only say that, although camps like that were meant at least in some respects to be a haven from persecution and a refuge, they seem to me to be among the most benighted places anywhere in the world. There is insufficient knowledge and understanding of what is happening in them, and the people there rightly feel that they have been forgotten.

Those people can be reached through cross-border initiatives. I met some of the NGOs involved in that life-saving work. It is not an either/or matter—either in-country assistance delivered through Rangoon, or cross-border aid. There is a need for both, we have the capacity for both, and with the increase in DFID's budget there are now the resources to do both. Several other Governments have funded cross-border aid, so there is a precedent. Cross-border aid is the only way to reach some of the most vulnerable people in Burma, as they are in areas to which the UN and other aid agencies are denied access by the regime. Will the Minister allocate a specific amount from the increased budget for cross-border aid?

The Committee's second recommendation that I wish to highlight is the need for DFID to fund indigenous Burmese civil society organisations working along the Burma border. I welcome DFID's willingness in principle to do so, although I understand the difficulties, to which my hon. Friend the Member for Buckingham alluded. Last year I had the privilege of meeting Charm Tong, a young woman to whom my hon. Friend referred, whose organisation is an example of precisely that sort of initiative. Charm Tong, who is a representative of the Shan Women's Action Network, came to London and met the then Foreign Secretary, the leader of the Opposition, the shadow Foreign Secretary, myself and other colleagues. She also testified at the Conservative party's human rights commission hearing on Burma. Charm Tong has established a unique school to empower young Shan people and she is deeply involved in the work of the Shan Women's Action Network documenting the regime's use of sexual violence as a weapon of war. My hon. Friend the Member for Buckingham prayed in aid her work as a good use of resources from outside. I strongly endorse what he said and commend such organisations to the Under-Secretary.

Earlier this year, I met representatives of the Chin Human Rights Organization and the Women's League of Chinland when they visited London. Those organisations, too, provide examples of the outstanding work being done by Burmese people to build a future for their country and they are worthy of our strong support. I understand that this is not an easy area, but we can make significant progress.

We have spoken much about the situation on the Thai-Burmese border, and rightly so, for it requires our urgent attention. May I ask the Under-Secretary what efforts DFID is making to investigate the opportunities for providing assistance on the other borders that have been mentioned, particularly the India border with the territory of the Chin people? Chin state is acknowledged to be the poorest part of Burma. Will the Secretary of State and his Minister consider actively exploring ways of supporting initiatives for the Chin?

The Committee highlighted its concern about the decision to close DFID's Bangkok office and conduct all Burma work from Rangoon and London. I share that concern. However, if the decision is not to be reversed, what assurances can the Under-Secretary give the House that DFID staff based in Rangoon will travel rather more regularly than has been suggested to Bangkok, Chiang Mai and the border to consult closely groups based in Thailand?

In conclusion, in recent months DFID has taken some positive steps. I welcome the proposal for an international economic development package for Burma, including aid, debt relief and investment, which could be implemented in response to genuine reform in Burma. As my hon. Friend the Member for Buckingham made clear, that package will be welcome—but at the right time, which clearly is not now. It is important that while we pile the pressure on the regime to change, imposing targeted sanctions that will hit the generals in the junta in their pockets—and rightly so—we should also offer the regime the incentive to reform.

I hope that the Under-Secretary will respond to some of the points that other hon. Members and I have made, and that he will particularly bear in mind the future issues on which DFID has yet to make decisions. As my hon. Friend the Member for Buckingham said in his inimitable way, we will all be watching carefully for the results of those discussions.

4.3 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Shahid Malik): I thank the right hon. Member for Gordon (Malcolm Bruce) for introducing this debate and the many right hon. and hon. Members who have spoken. I also thank the International Development Committee for its useful report on Burma, which offers some helpful recommendations for our expanding aid programme.

May I say to the right hon. Member for Gordon, perhaps because I am new, that I am more than happy to acknowledge the significant contribution of the IDC—specifically its report on Burma—to our thinking? If there is a perception that that is not so, I am more than happy to apologise for it. It would not be true to say that the Committee's report was not influential, is not important and has not helped our thinking on some of the relevant issues—it certainly has.

The Committee recognised the continuing need to provide humanitarian aid to the 50 million people right across Burma who are suffering extreme poverty under the current regime. As the hon. Member for Buckingham (John Bercow) articulated powerfully, a third of Burma's population—some 17 million people—live on less than 16p a day and, as other hon. Members have mentioned, some of those live on even less than that. Public investment

in health and education is among the lowest in the world, and more than half of Burmese children fail to complete primary school education.

On education, my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) made a powerful point in talking about his constituency about how, through schools, a much bigger impact—a global one—can be achieved beyond the United Kingdom. He mentioned DFID's global partnership initiative. I want to give him this commitment: I am completely sold on the links between UK schools and schools in the developing world. My intention, with the Department's new comprehensive spending review settlement, is considerably to expand some of that work. Development awareness work is crucial to give us the consent to continue the work that we are doing on international development in this country. I have witnesses to the power of such an initiative in my constituency.

Most right hon. and hon. Members have spoken about the relative underfunding in Burma. I wholeheartedly agree that not enough money is going into Burma. That is why, on 29 October, my right hon. Friend the Secretary of State for International Development announced a doubling of our spending in Burma to £18 million a year by 2010, which, broadly, as I mentioned in the main Chamber yesterday, puts us on a trajectory to meet the Committee's recommendation in respect of 2013. I just reaffirm for the hon. Member for Buckingham that that does not preclude some serious increases post-2010, which is what he was alluding to. In a volatile situation such as the one in Burma, we are constantly reviewing matters, so anything is possible.

Mr. Andrew Mitchell: I take it that the Under-Secretary thinks that to some extent we are dancing on the head of pin in arguing about whether 2010 is on the trajectory for quadrupling the spending by 2013. However, people need to make plans in respect of what they will do. Therefore it would genuinely be helpful if the Under-Secretary made it clear—not today, but on another occasion—that he accepts what the International Development Committee has said and that he expects aid to Burma to more than quadruple in that period, because in most circumstances that we can envisage I believe that that will be so.

Mr. Malik: I have spoken clearly, and I think that most hon. Members welcome what has been said.

I am bound to remind the hon. Member for Sutton Coldfield (Mr. Mitchell) that by 2010-11 the Government will be committing £18 million a year to Burma. In 1992, when the hon. Gentleman's party was in power, some £53,000 a year was committed to Burma. I only have a comprehensive school education and my maths may not be great, but I think that that represents a 36,000 per cent. increase on 1992. Better a sinner repenteth. It is clear that we will be reviewing the situation over the next three years and we stand ready to do whatever is required to support the people of Burma in the desperate plight that they face.

I take on board the comment made by the hon. Member for Buckingham, which is that there is a perception that the Government focus disproportionately on Africa. Perhaps we need to consider that, because for every person living on less than $1 a day in Africa there are two in Asia. It is quite clear that we have to work on some of these perceptions and perhaps on the reality as well.

The hon. Member for Wood Green—*[Interruption.]* Sorry, I meant to address the hon. Member for Hornsey and Wood Green (Lynne Featherstone); my apologies to the hon. Lady. I should know better, because I was chief executive of Haringey regeneration agency for a number of years. All the improvements on Turnpike lane and Wood green are down to me! The hon. Lady rightly talked about the necessity of ensuring that the Burmese regime does not benefit from aid given by this country.

We believe that doubling aid will enable us to step up our efforts to address many of the problems that others and I have highlighted. In doing so, we will continue to ensure that none of our aid is spent through Burmese central Government. All of it is delivered through the United Nations or NGOs, which will continue to be the case until we can forge a partnership with a Burmese Government who respect human rights and who are genuinely committed to development, accountability and the reduction of poverty.

Our assistance is making a difference to the lives of vulnerable people. My right hon. Friend the Member for Leeds, West (John Battle) powerfully articulated the challenge posed by malaria, tuberculosis and HIV/AIDS. Our aim is to save 1 million lives a year. This week, I spoke to Rurik Marsden, who is the head of DFID in Rangoon. I asked him what he thought was the one big breakthrough in the past few years. He was unequivocal in saying that our work on HIV/AIDS has been phenomenal, because in the past intravenous drug use and sex working were taboo. However, now we are making a real impact in those very areas. Those three diseases could begin to spread, not only throughout Burma, but neighbouring countries that already face similar challenges. It is in their interests, therefore, to work with us on that matter.

By enabling UNICEF to provide school materials and textbooks to 500,000 children, we are ensuring that children get the support that they need. However, I accept that that is a small contribution to dealing with a very large problem. Some 10 million children in Burma do not complete their primary school education, which does not bode well for the future of Burma. We invest in Save the Children in order to help local communities organise pre-schools. Furthermore, by funding the UN rural development programme, which reaches some 1.5 million people and more than 3,000 villages, we are making a real impact. By supporting the sale of water pumps to farmers, we are enabling them to increase their incomes by $190 a year and to buy much-needed food, health care, clothing and education provision for them and their families.

The right hon. Member for Gordon raised the issue of the effectiveness of agencies since the recent suppression. The indications are that broadly speaking, agencies can still operate. However, it was incredibly disappointing that the UN co-ordinator, Charles Petrie, was expelled from Burma, because that will undoubtedly have an impact on the UN's vital work in that country. I hope to meet him next week in London.

The final figures are not at hand, but I can provide a commitment in principle to increasing our funding to the Three Diseases Fund, which should give a strong

[Mr. Malik]

steer. We will also increase our funding on education, livelihoods, refugees, internally displaced persons and, of course, cross-border groups—a matter echoed by all hon. and right hon. Members today. The hon. Member for Sutton Coldfield asked for explicit confirmation that we will increase support in those areas, and I say categorically that we will.

As far as we can in Burma's restrictive political environment, we support people's will to manage their own affairs at a local level. To help build the foundations for democracy, we are providing £500,000 over three years in order to help civil society organisations to organise themselves better. Furthermore, we are setting up a £3 million fund to support organisations that help people to have more of a say in local decision making—for example, on forest management, agriculture, education and health.

The recent spotlight has been on the urgent need for change at the centre of Burmese politics, for serious movement towards democracy, for national reconciliation and for an end to the repression that, sadly, we have witnessed in recent months. However, we must not take our eyes off the continuing conflict in eastern Burma and its terrible impact on those living there. The hon. Member for Sutton Coldfield gave a powerful and graphic description of some of the profound cruelty experienced by those living in and around Burma.

As many as 500,000 people in Burma are displaced. Some 100,000 of them are sheltering in areas torn and ravaged by conflict, and some 160,000 are living as refugees in Thailand. However, many more are living there without formal refugee status—I think that my hon. Friend the Member for Glasgow, North (Ann McKechin) and the right hon. Member for Gordon suggested that as many as 2 million people might have no formal status, because no one is aware of them.

The Committee argued that humanitarian assistance to people across Burma's borders was necessary alongside aid provided from inside the country, and we firmly agree. Earlier this year, DFID allowed its funding to the Thailand Burma Border Consortium to be spent on emergency relief delivered from Thailand to displaced people inside Burma. We aim to continue that policy while maintaining a close overview of the effectiveness of the consortium's operations across the border. That was a really important point alluded to by the hon. Member for Buckingham. As I announced yesterday, this year we will provide an additional £100,000 to help meet an immediate shortfall in the consortium's funding. However, we do not consider the consortium to be the only fruit, as it were. There are other NGOs, and we are committed to engaging with as many as possible so that we can find the most effective ones.

In allocating our increased spending on Burma, we will consider carefully the best balance to strike between assistance provided from inside Burma, assistance provided from neighbouring countries and assistance for Burmese refugees living in those countries. We will take close account of the Committee's recommendations as well as of the assessment of the needs of displaced peoples in eastern Burma, which is being completed by the Office for the Co-ordination of Humanitarian Affairs. That was mentioned by my hon. Friend the Member for Birmingham, Northfield (Richard Burden).

The hon. Member for Buckingham spoke about the Shan Women's Action Network. It is unfortunate that some NGOs have the impression that funding for them is out of the question. In recent weeks, we have had positive discussions with SWAN, in London and Thailand, about the sort of projects that we could fund, and we are having similar discussions with other groups. There is no objection to funding such groups, as long as it is for work that contributes to poverty reduction or humanitarian relief and as long as we can ensure the accountability that we would expect from other projects.

Allow me to summarise in lay people's terms another important point that has been mentioned in relation to OCHA—whether it is really necessary to wait for lots of different reports before getting on with things. The question sounded much more articulate when the hon. Member for Buckingham asked it, but in essence that was what he asked. I do not believe that the two processes cannot proceed simultaneously. We do not have to wait for assessment reports before work is undertaken, but it is important that the reports be produced.

John Battle: I might be repeating the comments of the hon. Member for Sutton Coldfield, but I have taken encouragement from the fact that things are not the same as 10 years ago. We knew about what happened recently because of mobile phone cameras, the internet and satellites. For repressed people, images will not be suppressed for long, and that gives a signal that there might be rather more change in the next few years. Rather than arguing about the head of a pin, I am looking forward to 2012 negotiations with a democratic Burmese Government on a proper partnership and budget support arrangement for development in Burma, with the Government led perhaps by Aung San Suu Kyi. In the meantime, I put it to the Under-Secretary that it is imperative not to allow any slackening of the rope after the summer's events. The maximum pressure should be applied both nationally and internationally, including by campaigns through the Foreign Office with allies, so as to put pressure on the regime and to make the necessary breakthroughs. If we let things slacken so that there is no more than just a bit of an increase in the AIDS budget, we shall not do justice to the people of Burma.

Mr. Malik: I often agree with my right hon. Friend: long may that last, and I certainly drink to his vision of 2012 for Burma! Let us hope and pray that that happens by 2012, if not before.

I referred earlier to the contribution of the hon. Member for Buckingham. In doing so, it was remiss of me not to pay tribute to his leadership on Burma. There are few hon. Members who have given as much time, energy and commitment as he has to Burmese issues. We do not always see eye to eye, but he is a convincing character, and his input on the debate on Burma has been pivotal. I pay tribute to him for that work and commitment.

The Committee made a number of recommendations about the treatment of development issues, including gender disparities, in the refugee camps in Thailand. DFID officials are following up on those in discussions with the Thailand Burma Border Consortium about our future support for its operations. We are also

participating in a donor assessment and evaluation of assistance to the refugee camps, led by the European Commission.

As well as our support to TBBC, DFID is this year providing some £400,000 through faith-based organisations inside Burma to help provide basic health, education and livelihood assistance for displaced communities in eastern Burma. As the hon. Member for Buckingham stated, we will spend some £1.3 million on cross-border health programmes from China, and we will consider the case for expanding those programmes over the next three years. We do not discount working from any border, wherever we believe that we can make a positive impact on the lives of some of the most impoverished people in the world. Let there be no question but that we stand ready to look at all options and all borders.

As the right hon. Member for Gordon said, the Committee made important recommendations on the need for improved communication between providers of assistance working from inside Burma and those working across the borders. DFID is promoting contacts between those groups and we are stepping up our own efforts, in concert with the UN, to ensure that in-country and cross-border aid is as closely co-ordinated as possible. However, that will remain an ongoing challenge and we shall constantly consider how we can improve co-ordination and communication.

I am pleased to confirm that, in line with the Committee's recommendations, DFID will consider applications for funding by non-governmental organisations that work to promote sustainable development and democracy in Burma. Those organisations may be based inside or outside the country. DFID officials have already begun discussions with NGOs about the sorts of project proposal that are most likely to fulfil DFID's normal funding requirements.

As some hon. and right hon. Members will know, we have decided to increase DFID's staffing in Burma. The number of people in our Rangoon office will grow from three to 10, and we have also strengthened the London team that works on Burma. We carefully considered the Committee's recommendation that we should retain DFID staff in Thailand to monitor the border areas. For now, our assessment is that that work can be carried out most effectively from Rangoon and London. Senior staff from DFID's office in Burma will visit the Thai side of the border, and there will be more frequent visits than in the past.

I spoke to Rurik Marsden this week, and he said that he had already visited five of the nine camps and will be able to promote better co-ordination between providers of assistance inside Burma and those who work across the border. Senior staff in London visit Burma and Thailand regularly to meet groups that provide cross-border support and those that lobby for change from outside Burma. The embassy in Bangkok will continue to work on refugee issues and on relations with the Thai Government, co-ordinating closely with DFID. I appreciate that people are becoming animated and are showing a genuine concern about the Bangkok office. I have listened carefully to hon. Members' comments, and I commit constantly to reviewing the effectiveness of the new arrangements.

The recent protests by Buddhist monks reflected a deep frustration with the lack of democracy and economic opportunity in Burma. Change in Burma will require courageous political leadership, allowing a wide range of opinions and interests to come together to create a common view of the future, far removed from the narrow vision evident in the regime's current road map.

Hon. Members have rightly talked about the role of Russia, China, India, and ASEAN partners. It is important to recognise that Burma is not a job just for the UN or the UK. Each country and organisation that can influence the situation needs to co-operate with others to make the impact that we all want. I was therefore heartened, as I am sure were all hon. Members present, by the UN Security Council presidential statement of 5 October on action on Burma, which is the first such statement that has been agreed. The hon. Member for Sutton Coldfield, I think, expressed some disappointment at the ASEAN summit that took place on 20 November, at which the participants were not as vociferous and robust as we would have liked. The Foreign Secretary has met his Chinese and Indian counterparts and discussed their role in Burma. India is the world's largest democracy, and we rightly expect more from it. We have reminded India of the need to ensure the integrity of EU arms embargos, and it has denied not doing so in the case of the helicopters.

Ann McKechin: Will the Under-Secretary also stress in his conversations with the Indian Government the need to assist the refugees who are based around the Indian border, particularly as the incidence of malaria is at its worst in that part of Burma? India needs to recognise the danger to its own residents as well as to the refugees who are streaming there.

Mr. Malik: I can certainly give that assurance, and we will raise that important matter with the Indian Government. When we get a response, I shall share it with my hon. Friend.

Russia, too, has caused some concern, and rightly so. We are informed that it is using civilian technology and building not a power station but a small research reactor. Naturally, we have made people aware of their international obligations, not least in the context of the non-proliferation treaty.

The international community has made it clear that the Burmese regime must take meaningful steps towards real reform and reconciliation. In recent weeks, there has been an unprecedented statement from the UN Security Council, a strengthening of EU sanctions and visits to Burma by the UN Secretary-General's special envoy Professor Ibrahim Gambari and the UN's special rapporteur on human rights in Burma, Paulo Sergio Pinheiro. A little progress is being made, such as the opening of discussions between the regime and Aung San Suu Kyi, but there is still a long way to go.

I wish to take this opportunity to pay tribute to the hard work being done by Foreign and Commonwealth Office Ministers and officials in keeping up the diplomatic pressure on the Burmese regime, which is critical. On 15 October, EU Foreign Ministers toughened sanctions, targeting timber, precious metals and gems. As I did in the House yesterday, I shall share a conversation that I had with our excellent ambassador in Rangoon, Mark Canning. He told me that the sanctions were biting and that the No. 1 crony in the regime is feeling the pain,

[Mr. Malik]

because Air Bagan, which that person owns, was forced to shut its Singapore accounts and might well close in the coming weeks.

The hon. Member for Buckingham mentioned the Prime Minister's initiative, which is about not minimal change but profound, lasting, seismic change. He also helpfully mentioned that I had signed some of his early-day motions in the past, and if my ministerial role did not prevent me from doing so, I would sign many more of them. For the record, I have never found anything that he has said to me menacing in any shape or form.

If real progress is made on political reform, the international community should be ready to support it. That is why, in October, my right hon. Friend the Prime Minister initiated discussions among global partners and leaders on the possible shape of international support, should concrete and verifiable steps be taken along the path to national reconciliation and political reform. The international community stands ready to help the economic reconstruction of Burma, using aid, trade and debt relief.

Doubling our humanitarian assistance will enable us to provide further vital support to the Burmese people as they endure the repression and economic mismanagement of the military regime. Their real potential and the full support of the international community can be realised only through the political and economic reforms that Burma so desperately needs.

I thank the International Development Committee for its extremely helpful report. I, for one, look forward to working with it in the coming weeks, months and years. I am not adversarial by nature, and I hope that we can continue to work in the consensual manner to which we have become accustomed.

4.35 pm

Malcolm Bruce: I thank the Under-Secretary for the tone and detail of his reply. Many of us feel encouraged that the Government are not only making pledges but working actively to fulfil them practically on the ground. He has given us a number of indications of that, which fill us with considerable confidence and optimism that it will make a difference.

I listened carefully to what the Under-Secretary said on the office in Bangkok, which showed clearly that the matter has been considered. All I ask is that he keep it under review and that, if it becomes clear that the organisations that operate from Thailand feel that they are not getting the contact that they need, the Government will be prepared to transfer a member of staff to Bangkok to ensure that they do. I took it from the tone of his comments that the Government would be prepared to do that, if it were to prove necessary, but I ask him at least to keep it under review.

The Committee is very appreciative of the Government's response, and we look forward to seeing the changes in action. Many of the groups that the hon. Member for Buckingham mentioned, which are active on the ground, must be encouraged that they will have a partnership with DFID in the future that they have perhaps not had before. The consequence of that will be that many more of the people of Burma who are in need of our help will actually receive it. That is the fundamental objective, and we all hope that international pressure will make the people who run the appalling regime understand that their days are numbered—they cannot be tolerated much longer. The people of Burma are entitled to a proper, civilised society, and we shall do everything that we can to achieve that.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes to Five o'clock.